CF PHARMTECH

2025

Environmental, Social and Governance Report

CF PharmTech, Inc.

FOCUS ON BREATHING
CARE FOR LIFE

CF PharmTech, Inc.

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CF PHARMTECH

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About This Report

Report Introduction

This is the first Environmental, Social and Governance Report (the "ESG Report" or "this Report") issued by CF PharmTech, Inc. ("CF PHARMTECH", the "Company", or "we", together with its subsidiaries).

This Report primarily discloses the management and performance of CF PHARMTECH and its subsidiaries in environmental, social, and governance aspects. As an annual report, this Report covers work from January 1, 2025 to December 31, 2025 (the "Reporting Period"). Certain contents or data may relate to previous years or subsequent years to enhance the readability of the Report.

Preparation Basis

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "SEHK"), and with reference to the relevant standards including the GRI Sustainability Reporting Standards (GRI Standards) by the Global Sustainability Standards Board, the Guidelines on Sustainable Development Reporting for Chinese Enterprises (CASS-ESG 6.0), and the United Nations Sustainable Development Goals (SDGs).

Data Source

The data disclosed in this Report is derived from a variety of sources, including primary data from the Company's actual operations, publicly available data from governmental authorities, annual financial data, internal statistical statements, third-party questionnaires, and third-party evaluation interviews. The financial data in this Report is presented in RMB. In case of any discrepancies between this Report and the financial report, the financial report shall prevail.

Report Quality Assurance

The Company strives to ensure the materiality, consistency, balance, and quantifiability of the contents in this Report, and systematically elaborates on the Company's philosophy, systems, actions, and performance in pursuing development, economic, ecological, and social aspects. The Company is responsible for the truthfulness, accuracy and completeness of this Report, without false records, misleading statements or material omissions.

Access to the Report

To reduce environmental burden, this Report is published in electronic form and is available for access on the Exchange's website (https://www.hkexnews.hk) and the Company's official website (http://www.cfpharmtech.com). In case of any discrepancies between the English and Chinese versions, the Chinese version shall prevail.

Chairman's Statement

2025 marked a year of profound challenges and pivotal transformation in the development journey of CF PHARMTECH. During the year, we successfully listed on the Main Board of the Hong Kong Stock Exchange, formally entering the international capital markets and ushering in a new phase of enhanced corporate governance and transparency. At the same time, the Company underwent a fundamental strategic transformation—from a business primarily focused on the commercialization of complex inhalation preparations in the domestic market to accelerating its evolution into a globally competitive inhalation system platform company.

However, there are no shortcuts to growth; only by navigating through challenges can lasting progress be achieved. Over the past year, changes in the pace of external policies, short-term fluctuations in market demand, and the proactive upgrading of our channel system have brought about phased pressure on our operating performance. In this regard, we would like to emphasize that such fluctuations represent the necessary and deliberate costs of our transition from a single-market-driven model to a globalized platform, rather than any weakening of our business fundamentals. On the contrary, we are more confident than ever that the Company's strategic direction, technological foundation, and organizational resilience are becoming increasingly solid and well-defined amid these challenges.

From an ESG governance perspective, 2025 also marked an important starting point for our systematic advancement of sustainable development. As the first listed inhalation preparation company in the Hong Kong stock market, we not only uphold the highest standards in product innovation and quality and safety, but also deeply integrate environmental, social, and governance (ESG) responsibilities into our corporate strategy and daily operations, striving to build a responsible, resilient, and trusted pharmaceutical platform.

In terms of governance, we have established a three-tier governance structure under the direct oversight of the Board of Directors, with clearly defined roles, responsibilities, and reporting mechanisms, ensuring that ESG priorities are effectively implemented from top-level strategy to frontline execution. In 2025, the Company strengthened its anti-bribery and anti-corruption framework and conducted annual compliance training for all employees and key suppliers, achieving full coverage of personnel in key positions. Meanwhile, we continued to optimize our risk management and internal control processes. In the area of data security, we initiated dedicated programs on personal information protection and clinical data compliance, thereby reinforcing the compliance foundation for global operations.

On the environmental front, we have made steady progress along two key pathways: green manufacturing and low-carbon pharmaceuticals. Our Suzhou manufacturing base has obtained ISO 14001 Environmental Management System certification and has been recognized as a "Green Factory" by the Suzhou municipal authorities. Our core product, Budesonide Suspension for inhalation, has completed lifecycle carbon footprint accounting, becoming the Company's first product with a quantified carbon footprint and providing baseline data for subsequent low-carbon process optimization and supplier collaboration on carbon reduction. In addition, we have implemented standardized full-process management of hazardous waste, achieving a 100% compliant disposal rate. We are actively assessing the feasibility of setting science-based targets under SBTi and are exploring more quantifiable targets for carbon reduction, water conservation, and waste reduction.

In terms of social responsibility, we remain committed to a patient-centered approach and the principle of Affordable and Accessible Healthcare. Our core products, including Changqi® (Budesonide Suspension for Inhalation) and ShuFeiMin® (Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray), have been included in the National Volume-based Drug Procurement (NVBP) and the National Reimbursement Drug List (NRDL), significantly reducing patients' medication burden. At the same time, we continue to strengthen grassroots respiratory healthcare services by partnering with medical institutions to conduct both online and offline public education and free consultation initiatives, addressing the "last mile" challenge in respiratory healthcare access. At the employee level, we have fully launched continuing education programs and professional skills training, fostering a learning-oriented organization and promoting the shared growth of both the Company and its people.

We firmly believe that true sustainable development must be built on the foundation of product accessibility, environmental responsibility, transparent governance, and the shared growth of talent. Despite a complex and evolving external environment in 2025, the Company achieved substantial progress in R&D innovation, international expansion, and social contribution: multiple products received approvals in domestic and international markets, including from the U.S. FDA, marking breakthroughs in the global expansion of high-end domestic inhalation therapies; several innovative pipelines advanced into late-stage clinical development; employee continuing education programs were fully launched; and total charitable donations and project investments exceeded RMB 4.7 million. Each of these milestones reflects our commitment to long-term value creation and sustainable development under challenging conditions, and further reinforces our conviction that only by deeply integrating commercial value with social value can we achieve sustainable and resilient growth.

Looking ahead, we will continue to firmly advance our dual-wheel drive strategy of "high-end complex formulations + innovative drugs", leveraging our five core proprietary technology platforms to accelerate global expansion. At the same time, we will further deepen ESG management, promote the development of a green supply chain around our established targets for emissions reduction, water conservation, and waste reduction, and respond to stakeholder expectations with higher standards, striving to become an outstanding enterprise that delivers both commercial and social value.

Liang Wenqing

Chairman, General Manager, Executive Director, and Member of the Remuneration and Assessment Committee of CF PHARMTECH

Approaching CF PHARMTECH

As a global innovator in inhalation drug delivery technology, CF PharmTech, Inc. (Stock Code: 02652.HK) is committed to building an interdisciplinary bridge that connects complex formulations with unmet clinical needs. The Company, focusing on complex inhalation preparations with high barriers, is a platform-based innovative pharmaceutical enterprise integrating device engineering, precision drug delivery, global regulatory registration, and commercialization implementation.

Leveraging the fully self-developed global end-to-end industrial chain capabilities from breath-actuated nasal spray delivery systems and liposome inhalation technologies to siRNA nucleic acid delivery platforms, the Company is systematically advancing an innovative pipeline targeting the markets of China, the United States, and Europe. With a therapeutic focus on respiratory diseases (asthma, chronic obstructive pulmonary disease, and bronchiectasis) and nasal diseases (allergic rhinitis and chronic sinusitis), the Company is strategically expanding into pulmonary fibrosis, pulmonary arterial hypertension, rare pulmonary infections, and central nervous system disorders, pioneering the new frontier of targeted drug delivery via the "nose-to-brain pathway".

The Company has established five core technology platforms covering the entire development process of inhalation preparations (including Particle Engineering, Device Design, Product Performance Evaluation, Clinical Development, and Process Engineering), and possesses a broad product portfolio for treating respiratory diseases and other disorders, forming a core competitive advantage in the high-barrier field of "drug-device combinations". The Company's first product, Chang Qi® Budesonide Suspension for Inhalation, since obtaining marketing approval in 2021 and being included in the national centralized volume-based procurement, has achieved nationwide coverage across tens of thousands of healthcare institutions and served tens of millions of patients. Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray, China's first corticosteroids-antihistamine compound nasal spray, addresses the gap for treating moderate-to-severe allergic rhinitis and was included in the National Reimbursement Drug List in 2023. Arformoterol Tartrate Solution for Inhalation was officially approved by the U.S. FDA in 2025. Currently, the Company has a specialized team of over 500 professionals, advancing a pipeline of more than 20 products under development across multiple regions, including China, the United States, and Europe. We anticipate that within the five-year period from 2026 to 2030, at least five new products will obtain regulatory approval and achieve commercial launch. Concurrently, based on the dual-wheel drive strategy, the Company is continuously building a multi-layered product portfolio layout of "high-end complex formulations + innovative drugs", and exploring opportunities to extend its delivery technology platforms into broader therapeutic areas for both delivery solutions and innovative drug development. We are systematically building a differentiated technology matrix of "local delivery of inhalation preparations + cell-targeted delivery + gene/protein regulation" to explore precision treatments for immune-related respiratory diseases.

At present, the Company has established an extensive, multidimensional commercial network across China. Supported by a globally compliant manufacturing system and an increasingly deepening overseas presence, the Company is steadily progressing toward its goal of becoming a global innovative pharmaceutical enterprise. Looking ahead, CF PHARMTECH will leverage its core technology platforms and commercialization capabilities to deliver more high-quality inhalation preparations for patients, establishing itself as a trusted partner in the global therapeutic area of respiratory diseases.

Corporate Culture

Mission

Based on China's global integrated innovation system, we focus on high-value generic drugs as the foundation, breakthrough innovative drugs as the frontier, and proprietary delivery technologies as the driving force, to address the most urgent unmet clinical needs worldwide.

Vision

To lead the innovation landscape in inhalation and nasal therapies, and become a globally leading provider of comprehensive inhalation and nasal therapy programs.

CORE Values

Be faithful and responsible, win-win cooperation;
Be innovative and diligent, continuous learning;
Performance first, strive for excellence.

Development History

Startup and Exploration Stage (2007-2012)
Laying the Foundation for Future Growth

2007-2009

- Jiangyin CF, the predecessor of the Company, was formally established. With a founding team comprising top overseas scientists and entrepreneurs, the Company initiated the construction of core laboratory, officially anchoring its focus on the respiratory inhalation preparations arena, marking the first step in domestic innovation.
- The Company comprehensively advanced the exploration of innovative R&D directions and the development of its talent pipeline, while simultaneously refining its technological roadmap, process systems, and team structure, thereby solidifying the foundational capabilities for subsequent R&D breakthroughs.

2010

- The Company secured Series A strategic investment from SL Pharmaceutical, gaining both R&D funding and industrial resources. Its laboratory was officially relocated to Wuxi, achieving a comprehensive upgrade of the R&D environment and marking the Company's entry into a new phase of standardized R&D.

Platform Construction and Pipeline Expansion Stage (2013-2019)
Technology Driven, Platform Established

2013-2014

- The Company completed its Series B financing and formally initiated the layout of its nebulized inhalation product series. In the same year, the groundbreaking ceremony for its Suzhou headquarters base was held, establishing Suzhou as the core hub for industrialization and operations and propelling the Company into a phase of accelerated development.
- The Company initiated independent development of its first-generation key nebulized products including Budesonide Suspension for Inhalation, continuously expanded its nebulization platform product matrix, focused on addressing clinical needs in respiratory diseases such as asthma, and progressively enriched its nebulization platform product portfolio.

2015-2016

- The Company secured Series C financing, intensified R&D efforts on nasal spray products such as Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray, established an innovative nasal inhalation technology platform, and expanded its presence in the rhinitis treatment area.
- The Company successively established two major innovative R&D platforms for inhalation aerosol and inhalation powder, and formed a complete R&D system with parallel technology routes including nebulization, nasal spray, aerosol, and powder.

2017-2018

- The Company completed Series D financing, comprehensively accelerated the advancement of pipelines across all technology platforms, and ramped up R&D investment alongside project progress.
- The Company's inhalation product was approved under the National Science and Technology Major Project for "Significant New Drug Development" by the National Health Commission of the PRC, marking a national-level endorsement for the Company's R&D capabilities.

2019

- The Company completed Series E financing and officially commenced Phase III clinical trials for its blockbuster product Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray in China, marking a significant step toward the critical milestone of commercialization.

Commercialization Surge and Internationalization Launch (2020-2024)
Product Approvals, Dual Breakthroughs

2020

- The Company completed Series F Financing and initiated production applications for multiple nebulized products, with commercialization preparations entering the final stage; meanwhile, the innovative drug team began forward-looking planning, laying the groundwork for the next phase of technological iteration and product upgrading.

2021

- The Company achieved the first approval milestone: Chang Qi® Budesonide Suspension for Inhalation was approved by the NMPA in May and rapidly included in the national centralized volume-based procurement in June, swiftly gaining market access. In October, Chang Shu® Salbutamol Sulfate Solution for Inhalation was approved, becoming the Company's first SABA-class product and further strengthening its respiratory pipeline.

2022

- Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray was approved by the National Medical Products Administration (NMPA) in November. As China's first corticosteroids-antihistamine compound nasal spray, it addresses the clinical gap in rhinitis treatment and establishes a differentiated core product for the Company.

2023

- CF018 Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray was included in the National Reimbursement Drug List in December, significantly improving its accessibility. In the same year, Chang Lin® Terbutaline Sulfate Nebuliser Solution was approved by the National Medical Products Administration (NMPA), continuously expanding the nebulization product matrix.

2024

- The Company's Arformoterol Tartrate Inhalation Solution was approved by the U.S. FDA, marking a breakthrough in the Company's global expansion and formally initiating its worldwide market presence.

New Stage in Capital Markets (2025)
Value Recognition, Internationalization Launch

2025

- The Company successfully listed on the Hong Kong Stock Exchange, becoming the first listed inhalation preparation company in the Hong Kong stock market. Its public offering set a record for the highest subscription multiple in the history of healthcare IPOs on the HKEX. In the same year, Chang Fei® Formoterol Fumarate Inhalation Solution was approved by the National Medical Products Administration, further enriching the Company's product pipeline.In 2025, achieve a substantial leap in going global, realize commercial returns in overseas markets, and successfully commence overseas deliveries.

Company Business Overview

Commercialized Products and Market Performance

CF PHARMTECH has obtained six product approvals and successfully commercialized its portfolio, forming a product matrix that covers major respiratory diseases, including asthma, chronic obstructive pulmonary disease (COPD), and allergic rhinitis.

Chang Qi® Budesonide Suspension for Inhalation

Approved in China in May 2021 Global registration progress:Since June 2025, the product has been approved in two overseas markets.It is currently under registration in more than ten countries and regions, with its global footprint continuing to expand.

Changqi® (Budesonide Suspension for Inhalation) is among the first domestically developed budesonide inhalation suspensions launched in China. Since its launch, it has covered more than 10,000 medical institutions and served over 50 million patients.

In 2026, the product completed the subsequent procurement for batches 1–8 under the NVBP, with the procurement cycle extended to 2028.

In 2025, its manufacturing facility obtained Good Manufacturing Practice (GMP) certification from Middle Eastern countries, enabling successful export to overseas markets and earning international recognition for its quality, marking a significant step for domestically produced pharmaceuticals going global.

Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray

Approved in China in November 2022.Global registration progress: Registration has been initiated in multiple countries across Europe, Asia, and Africa, laying a solid foundation for further international expansion.

ShuFeiMin® (Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray) is the first corticosteroids-antihistamine compound nasal spray listed in China, providing a new treatment option for moderate-to-severe allergic rhinitis and filling a clinical gap.

It was included in the National Reimbursement Drug List (NRDL) in December 2023 and officially implemented on January 1, 2024. Sales have grown rapidly. As of December 2025, the number of patients treated nationwide has exceeded one million, covering 30 provinces, autonomous regions, and municipalities, and more than 1,000 ENT specialty and general hospitals.

In the first half of 2025, ShuFeiMin® accounted for nearly 80% of the market share among drugs with the same generic name.

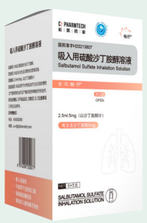
The product is currently promoted and sold through official channels on multiple online platforms such as JD Health and Alibaba Health, further improving accessibility and enhancing equity in patient access to medication.

Changshu® Salbutamol Sulfate Solution for Inhalation

Approved in China in October 2021.

In 2026, Changshu® completed the subsequent procurement for batches 1–8 under the NVBP, covering 25 provinces, autonomous regions, and municipalities, with the procurement cycle extended to 2028, which will support broader regional market coverage.

The product is manufactured using domestically leading and internationally mainstream preparation equipment, enabling high-quality and efficient production with stable product quality. Strict internal control and release standards have been established in accordance with the Chinese Pharmacopoeia. It has passed generic consistency evaluation, demonstrating equivalence to the originator drug, and has been widely recognized in clinical use for its efficacy and safety.



Changlin® Terbutaline Sulfate Nebuliser Solution

Approved in China in September 2023.
Global registration progress: Actively advancing registration in Southeast Asia, with plans to provide high-quality treatment options to more overseas patients in the future.

Changlin® completed the subsequent procurement for batches 1–8 under the NVBP in 2026, covering 27 provinces, autonomous regions, and municipalities, with the procurement cycle extended to 2028.

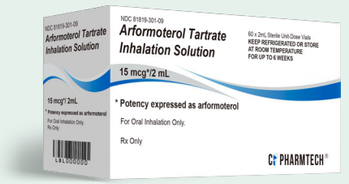
The product is manufactured using domestically leading and internationally mainstream preparation equipment, enabling high-quality and efficient production with stable product quality. Strict internal control and release standards have been established in accordance with the Chinese Pharmacopoeia. It has passed generic consistency evaluation, demonstrating equivalence to the originator drug, and has been widely recognized in clinical use for its efficacy and safety.

Arformoterol Tartrate Inhalation Solution

Approved by the U.S. FDA in May 2024.
Global registration progress: Registration is being advanced in Southeast Asia and the Middle East.

This product represents a key milestone in the Company's pharmaceutical industrialization journey in the United States. The Company is advancing its registration in markets such as Southeast Asia and the Middle East.

Currently, commercialization partnerships in the U.S. market are progressing steadily. The product is expected to provide COPD patients in the U.S. with a cost-effective long-term maintenance therapy option, while further advancing the Company's global expansion and enhancing the international influence of Chinese inhalation preparations.



Changfei® Formoterol Fumarate Inhalation Solution

Approved in China in January 2025.

Changfei® is the Company's first approved product in the long-acting β2-agonist category, further enriching its product pipeline and strengthening its respiratory nebulization therapy portfolio. It provides a new treatment option for patients requiring long-term bronchodilation therapy, including those with COPD and bronchial asthma.

Built on the Company's mature nebulized inhalation R&D and manufacturing platform, the product has passed consistency evaluation and has initiated hospital access processes nationwide, enabling broader patient access to high-quality and affordable domestic therapies.

R&D Pipeline and Strategic Layout

The company adheres to a dual-driven R&D strategy of "rapid commercialization of mature products" and "global development of innovative products." We are advancing the global development of over 20 candidate products in key markets such as China, the United States, and Europe, as well as emerging markets including Southeast Asia, South America, and the Middle East. Several products are in late-stage clinical trials or PK-BE studies, approaching registration and commercialization in the near term.

Type	Product Code	Indication	Filing Location	Status
Inhalation Liquid Preparation	CF017-LA/CF017-OT	BA	South America	Product registration under preparation
	CF017-ME		Middle East	Approved
	CF017-VN		Southeast Asia	Registration stage
	CF044	COPD	China	Registration stage
Nasal Spray	CF018-LA	AR	South America	Registration stage
	CF018-MY		Southeast Asia	Registration documents in preparation
	CF024/CF045	AR	China	Registration stage
	CF010/CF052	AR	China	Registration stage
Inhalation Aerosol (「MDI」)	CF006/CF043	BA	China	Production application in preparation
	GW009/CF064	BA/COPD	Europe	Pilot stage
	GW015/CF049	BA	UK	Pilot stage
Inhalation Powder (「DPI」)	GW008 (2)	COPD	China	Ongoing clinical trial
			Europe	Preparing for PK-BE trial
			USA	Pilot stage
	CF037	COPD	China	Clinical trial in preparation
			Europe	Pilot stage
Inhalation Spray (「SMI」)	GW013	COPD	China	Bench-scale stage
			USA	Bench-scale stage
	CF050	COPD	China	Bench-scale stage
			USA	Bench-scale stage
New Therapeutic Medical Device	CFQX001 (2)	Emphysema	China	inclinicail stage
Respiratory Indication Expansion	IC004 (3)	IPF	Global	IND filing stage
	IC001	PAH&PAH with Interstitial Lung Disease	Global	IND filing stage
	IC002	PAH	Global	Early-stage development
New Therapeutic Area - Nasal-Brain Pathway	CF070	Migraine	China	Bench-scale stage
	CF075	CRS	China	Bench-scale stage
	CF079	AR	China	Bench-scale stage
	CF069	CE	China	Bench-scale stage
	CF056	DES	China	Bench-scale stage
New Delivery Technology - siRNA	CP029/CP030	Asthma	Global	Drug discovery
Liposome Platform	CF047	MAC & Others	China	Bench-scale stage

Market Layout and Internationalization Strategy

The company actively pursues its internationalization strategy, with international recognition of its quality system as the cornerstone to steadily expand global markets. The Suzhou production base has passed the EU Qualified Person (QP) audit, and the production workshop for Changqi® Budesonide Suspension for Inhalation has obtained overseas GMP certification—marking that its quality management system meets international advanced standards. The first self-developed product, Arformoterol Tartrate Solution for Inhalation, was approved by the U.S. FDA, verifying that its R&D capabilities have gained international regulatory recognition.Leveraging a professional international registration team, we are simultaneously advancing the registration and commercialization of multiple products in markets such as the U.S., EU, Middle East, South America, and Southeast Asia, committed to delivering innovative drugs to patients worldwide.

Key Performance

Environmental indicators

Environmental incident: **0**

Pollutant Emission Compliance Rate: **100%**

Compliance Disposal Rate of Hazardous and Non-Hazardous Waste: **100%**

In 2025, approximately **6000** cartons were cumulatively saved.

Social indicators

Number of R&D personnel: **174**

R&D staff as a percentage of total employees: **30.85 %**

R&D investment amount: **124,549.00 thousand RMB**

R&D expenditure as a percentage of core business revenue: **28.8%**

Product First-Pass Yield: **100%**

Responsible Marketing Training Coverage Rate: **100%**

Marketing Materials Compliance Review Pass Rate: **100%**

Economic indicators

Total operating revenue: **432,521.00 thousand RMB**

Total assets: **1,776,263.00 thousand RMB**

Net profit attributable to shareholders of listed companies: **2,485.00 thousand RMB**

Management indicators

Filed corruption lawsuits **0** Case(s)

Customer information or privacy leakage incidents **0** Case(s)

General Meetings of Shareholders Convened **2** Time(s)

Honors and Awards

2025
Growth and Value Golden Bull Award Presented by China Securities Journal

2025
Reliable Pharmaceutical Enterprise of Jiangsu Province

2025
Top 100 Biomedicine Companies

2023
Jiangsu Provincial Novel Inhalation Drug Delivery Engineering Technology Research Center

2023
Postdoctoral Innovation Practice Base in Jiangsu Province

2023
High-tech Enterprise

2025
Best Biotechnology Product Granted to CF018

2024
Five-star Cloud-based Enterprise under the Jiangsu Provincial Industrial Internet Demonstration Project

2024
Hurun Future Unicorns Global Gazelles Index 2024

2023
Grade A Tax Credit Enterprise

2022
China Potential Unicorn Enterprise

2022
Jiangsu Provincial Small and Medium-sized SRDI (Specialization, Refinement, Differentiation, Innovation) Enterprise

2024
Suzhou Municipal Enterprise Technology Center

2023
Potential Unicorn Enterprise in Jiangsu Province

2023
Enterprise of Observing Contract and Valuing Credit

2020
Suzhou Unicorn Cultivation Enterprise

2020
High-Quality Development and Innovative Talent Award

Statement of the Board of Directors

ESG Strategy and Supervision

The Board of Directors, as the highest decision-making body for the Company's ESG matters, consistently upholds the mission "Based on China's global integrated innovation system, we focus on high-value generic drugs as the foundation, breakthrough innovative drugs as the frontier, and proprietary delivery technologies as the driving force, to address the most urgent unmet clinical needs worldwide", and integrates the philosophy of sustainable development into the Company's strategy and daily operations. The Board of Directors is responsible for reviewing major ESG issues, work objectives, and annual reports, assessing and determining the Company's ESG-related risks and opportunities, and ensuring the effectiveness and appropriateness of the ESG management system. In 2025, the Company continuously refined its ESG governance mechanisms, strictly adhered to the relevant provisions of the SEHK's Listing Rules, and promoted the alignment of its ESG policies with business development.

ESG Risk Management

The Board of Directors attaches great importance to the systematic management of ESG-related risks. Through stakeholder engagement surveys and materiality assessments, it prioritizes ESG issues and regularly reviews key issues highly relevant to the Company's business operations, including but not limited to product quality and safety, drug accessibility, business ethics, environmental emissions, and climate change response. The management level is required to establish effective ESG risk identification and supervision processes, regularly review the implementation of risk response measures, ensure that the Company controls ESG risks within a reasonable range, and protect the long-term interests of stakeholders.

Goal and Progress Review

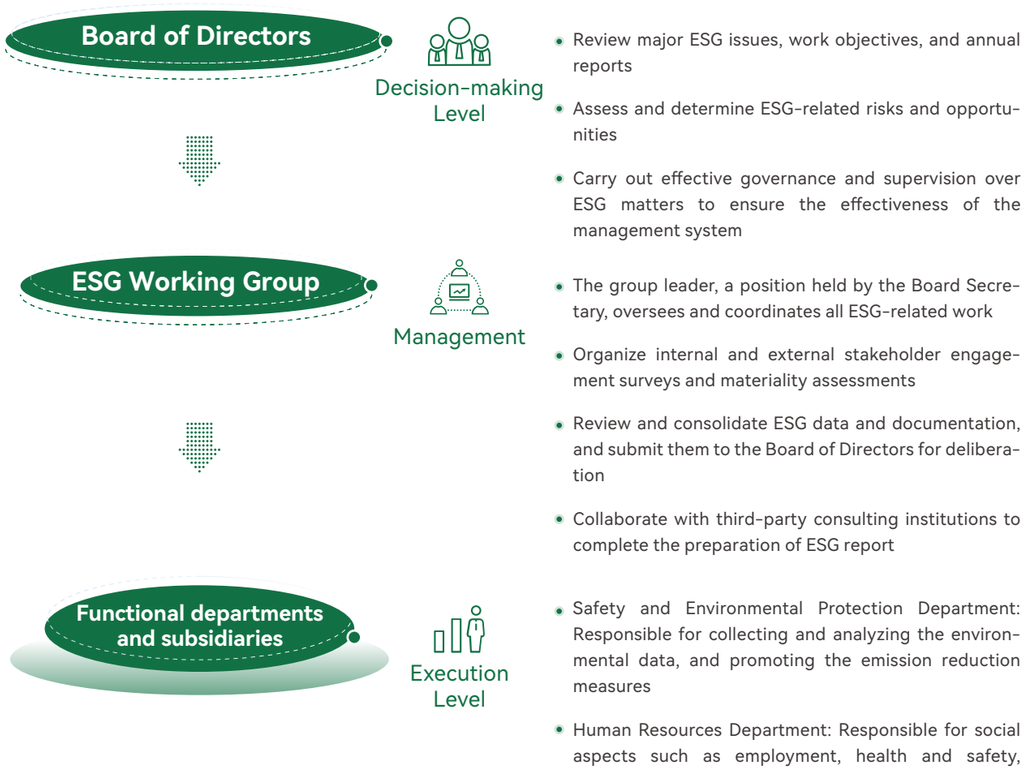
The Board of Directors actively responds to the expectations of stakeholders such as the government, shareholders, employees, patients, and partners. Based on the results of the materiality assessment, it authorizes the management level to develop specific ESG management improvement plans and quantitative targets. We regularly review the management progress of key environmental performance indicators (such as emissions and resource utilization efficiency), continuously advance the refinement and implementation of target systems for emission reduction, energy conservation, and water conservation, and ensure the deep integration of ESG management with the Company's strategic goals. With the approval of the Company's first inhalation drug by the U.S. FDA and the successful fulfillment of overseas orders, these milestones signify a solid step forward in fulfilling our global responsibility to advance "Health Accessibility".

Looking ahead, the Board of Directors will continue to monitor the latest trends and best practices in the ESG field, continuously improve the ESG management system, promote the Company's high-quality development in a responsible manner, and strive to become a trusted partner in the global therapeutic area of respiratory diseases.

ESG Governance

ESG Governance Philosophy and Structure

CF PHARMTECH regards ESG management as a crucial cornerstone for the Company's sustainable development. We firmly believe that a sound governance structure is fundamental to implementing ESG strategies, managing relevant risks, and addressing stakeholder expectations. Based on the ESG Management Measures of CF PharmTech, Inc., the Company has established a three-tier governance framework comprising the Board of Directors, the ESG Working Group, and various functional departments. Therefore, a closed-loop management mechanism of "Decision-making—Coordination—Execution" is formed, ensuring that the ESG philosophy is integrated into every aspect of the Company's operations.



CF PHARMTECH's ESG Governance Structure

Stakeholder Communication

CF PHARMTECH attaches great importance to regular communication with stakeholders and is committed to establishing an open, transparent, and efficient communication mechanism to accurately identify and respond to the core expectations of all parties. We continuously collect and analyze opinions and suggestions from key stakeholders, including government and regulatory agencies, shareholders and investors, employees, customers, suppliers, and the community, through various channels such as regular surveys, special sessions, online platforms, and daily business interactions. In strategy formulation and daily operations, we fully consider the demands of all parties, incorporate the material issues of concern to stakeholders into our ESG management priorities, ensure that resource allocation and operational decisions strike an interest balance among multiple parties, promote deep alignment between our ESG management efforts and stakeholder expectations, and jointly advance the Company's sustainable development.

Stakeholder Communication Methods

Stakeholders	Major Expectations	Communication Channels
Employees	• Protection on employee rights and interests • Diversity and equal opportunity • Employee benefits and care • Employee health and safety • Employee training and development	• Regular meetings • Employee discussion meetings • Complaint mailbox • General Manager's Email
Government departments or regulatory agencies	• Compliant and stable operations • Strengthening on internal risk control • Business ethics and anti-corruption • Equal treatment of small and medium-sized enterprises • Information security and privacy protection	• Daily communication • Information reporting • Routine inspections
Shareholder(s)	• Corporate governance • Investment returns	• General meeting of shareholders • Daily information disclosure • Interim and annual reports • Company website
Suppliers and partners	• Responsible procurement and marketing • Product quality and safety • Promotion on industry cooperation and development • Safety protection on subjects	• Bidding • Standardized supplier management processes • Annual supplier evaluation system • Regular exchange and communication
Consumers	• Product quality and safety • R&D and innovation • Customer service	• Customer service hotline • Regular follow-up visits
Media	• Community investment and philanthropy • Promotion on industry cooperation and development	• Press releases/announcements • Meetings
Public welfare organizations or community organizations	• Climate change response • Energy management • Water resource management • Environmental management • Biodiversity protection • Three-wastes management • Community investment and philanthropy • Drug accessibility	• Public welfare activities • Press releases/public reports
Industry associations or scientific research institutions	• Product quality and safety • Intellectual property protection • R&D and innovation	• On-site surveys • Discussions • Industry exhibitions

Materiality Analysis

In accordance with the requirements of the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, CF PHARMTECH entrusts an independent third-party professional institution to conduct a materiality assessment of ESG issues. Through an overall identification and assessment of issues, and a comprehensive evaluation of the impact of each issue on the Company's financial performance as well as on environmental and social aspects, the Company has developed a materiality matrix, which serves as the core foundation for determining ESG management priorities, setting action targets, and optimizing information disclosure.

Materiality Analysis Process

Issue Identification

Based on the Company's strategic planning and business characteristics, we have systematically sorted out relevant international and domestic frameworks such as the SEHK's ESG Guide, UN Sustainable Development Goals (SDGs), and Global Reporting Initiative (GRI) Standards, comprehensively identified ESG issues closely related to the Company's operations and stakeholders, and formed a preliminary list of issues.

Issue Assessment

To ensure that the ESG strategy both addresses societal expectations and drives corporate value, we have introduced a materiality matrix assessment framework.

Materiality to Stakeholders: Assessing the material impacts of the Company's operations on economy, environment, and people (including human rights). We systematically examine the Company's external effects on sustainability issues based on the scale, scope, likelihood, and inherent nature of the impacts.

Impact on the Company's Sustainable Development: Assessing how ESG issues, in turn, affect the Company's financial performance. We analyze the pathways through which these issues may impact the Company's business model, operational stability, and financial condition over the short, medium, and long term, thereby identifying the risks and opportunities of the greatest strategic relevance.

Issue Determination

Based on the assessment results, a materiality matrix is developed to identify key material issues, which serve as the core foundation for ESG management priorities, information disclosure, and target setting, thereby ensuring deep alignment between ESG efforts and stakeholder expectations.

We continuously refine the analysis process for material sustainability issues. With materiality to the Company's development and materiality to stakeholders as dual dimensions, we have established a dual materiality assessment system to conduct identification and screening. In 2025, through in-depth interviews, we identified a total of 6 issues with dual materiality, which were reviewed and approved by the Board of Directors.

CF PHARMTECH's Matrix of Major ESG Issues in 2025

Environment

1. Climate Change Response
2. Water Resource Utilization
3. Environmental Compliance Management
4. Energy Utilization and Circular Economy
5. Emissions

Social

6. Product and Service Safety and Quality
7. Affordable and Accessible Healthcare
8. Supply Chain Management
9. Innovation-Driven Development
10. Responsible Marketing
11. Data Security and Customer Privacy Protection
12. Employees
13. Community Investment and Philanthropy

Governance

14. Business Ethics
15. Stakeholder Engagement
16. Corporate Governance and Risk Management
17. Due Diligence

01

AN ATMOSPHERE OF INTEGRITY AND RIGHTEOUSNESS ENABLES STEADY PROGRESS AND SUSTAINABLE GROWTH

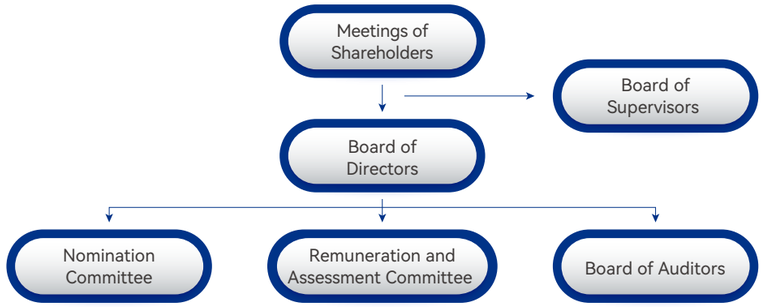
UN SDGs Addressed in This Chapter:

CF PHARMTECH has established a governance structure with clearly defined authorities and responsibilities in strict accordance with the listing rules. In addition, the Company safeguards operational compliance through robust risk management mechanisms and an internal control system, upholds business ethics with a zero-tolerance policy against corruption, and strictly implements data security and customer privacy protection. We safeguard the Company's long-term development through sound governance, and continuously create value for shareholders and society.

Corporate Governance

Governance Structure

The Company strictly complies with the Company Law of the People's Republic of China, and adheres to the regulatory requirements of the Corporate Governance Code set out in Appendix C1 and the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited. In conjunction with relevant laws and regulations including the Companies Ordinance and the Securities and Futures Ordinance, the Company continuously refines its internal governance systems, including the Articles of Association, the Rules of Procedure for General Meetings of Shareholders, and the Rules of Procedure for the Board of Directors. The Board of Directors comprises an Audit Committee, a Remuneration Committee, and a Nomination Committee, each responsible for its specific domain while maintaining close coordination to ensure scientific decision-making and effective supervision.



General Meeting of Shareholders

As the highest authority of the Company, it is responsible for reviewing and approving the reports of the Board of Directors and the Board of Supervisors and profit distribution plans, and making resolutions on the Company's major matters such as capital increase or decrease, merger and division, amendments to the articles of association, issuance of bonds, and equity incentive plans.

Board of Directors

As the decision-making body of the Company, it is responsible to the General Meeting of Shareholders. The Board of Directors is responsible for determining business plans and investment schemes, formulating financial budgets/final accounts and profit distribution plans, appointing or dismissing senior management and determining their remuneration, and managing information disclosure and ESG strategy.

Board of Supervisors

As the supervisory body of the Company, it is responsible for inspecting the Company's financial affairs, supervising the compliance of directors and senior management personnel in the performance of their duties, proposing the removal of any person who violates laws, regulations, or the Company's Articles of Association, and safeguarding the interests of the Company and its shareholders.

Audit Committee

Responsible for overseeing the authenticity of financial reports, the effectiveness of internal controls, and the independence of external audit institutions, and coordinating communication between internal and external audits.

Remuneration Committee

Responsible for determining the remuneration policies for directors and senior management, assessing their performance in fulfilling their duties, and making remuneration recommendations to the Board of Directors.

Nomination Committee

Responsible for identifying and recommending candidates for the directorships, assessing the structure and composition of the Board of Directors, and reviewing the implementation of the diversity policy.

CF PHARMTECH's Governance Performance

Indicator	Unit	2023	2024	2025
General Meetings of Shareholders Convened	Time(s)	3	2	2
Proposals Reviewed at the General Meetings of Shareholders	Item(s)	30	29	14
Extraordinary General Meeting of Shareholders Convened	Time(s)	2	1	1
Proposals Reviewed at the Extraordinary General Meetings of Shareholders	Item(s)	21	19	3
Meetings of the Board of the Directors Convened	Time(s)	6	3	6
Proposals Reviewed at the Meetings of the Board of the Directors	Item(s)	59	42	26
Meetings of the Board of the Supervisors Convened	Time(s)	6	3	1
Proposals Reviewed at the Meetings of the Board of the Supervisors	Item(s)	20	15	9

Board Independence

During the reporting period, the Board of Directors of CF PHARMTECH comprised 11 members, of whom 4 were independent non-executive directors accounting for more than one-third of the Board, thereby ensuring that the Board maintains sufficient independence and objectivity in making decisions affecting the Company. The four independent non-executive directors possess extensive experience in their respective professional fields covering pharmaceutical R&D, business management, law, and financial accounting, thereby providing independent and professional judgment for the Company's strategic decisions and risk control. Independent non-executive directors actively participate in the work of the Audit Committee, Remuneration Committee, and Nomination Committee, hold important positions in these committees, effectively exercise supervisory and check-and-balance functions, and safeguard the overall interests of shareholders.

Positions Held by Independent Directors on the Committees of CF PHARMTECH

Independent Director Members	Committees		
	Nomination Committee	Remuneration and Assessment Committee	Board of Auditors.
Jin Jian	√		√
Wang Lijuan			√ (Chairperson)
Wei Shirong	√ (Chairperson)	√	
IP Wang Hoi		√ (Chairperson)	√

Board Diversity

We adhere to the principle of meritocracy in selecting candidates for the Board of Directors, taking into account a comprehensive range of factors including talent, skills, gender, age, cultural and educational background, and professional experience. The current Board of Directors comprises 11 members with diverse backgrounds, whose expertise spans multiple disciplines including cellular and molecular biology, chemistry, business administration, and law. The directors range in age from 41 to 67, and the Board includes three female directors. We fully recognize the unique value of gender diversity. To this end, we have implemented and will continue to advance multiple initiatives, including establishing a female talent pool and providing comprehensive training for female employees at middle and senior levels, to gradually increase the proportion of women on the Board and in senior management, and ensure that our level of gender diversity aligns with stakeholder expectations and international best practices.

Director Name	Skill Areas and Importance	Skill Description	Adequacy
Dr. Liang Wenqing	Strategy (E), Leadership (E), Personnel Management Experience (E)	With over 20 years of experience in the pharmaceutical industry, currently responsible for the company's strategic planning and overall management.	√
Dr. Li Li	Industry Knowledge and Experience (E), Personnel Management Experience (E)	Possesses nearly 30 years of experience in pharmaceutical company management and drug development; currently serves as Executive Director and Chief Scientist, responsible for scientific vision and R&D strategy.	√
Dr. Li Qi	Industry Knowledge and Experience (E), Personnel Management Experience (E)	Has been deeply engaged in the field of inhalation preparations for over 30 years; currently serves as Chief Operating Officer and Dean of the Pharmaceutical Research Institute, with capabilities in drug R&D, team leadership, and product commercialization.	√
Ms. Zhu Yuyu	Leadership (E), Personnel Management Experience (E), Risk Management and Compliance (E)	With over 15 years of experience in corporate governance, investment and financing management, and personnel management; currently serves as Executive Director, Deputy General Manager, and Board Secretary, responsible for investor relations, financing, and corporate governance.	√
Mr. Chen Penghui	Strategy (E)	Former President, Chief Operating Officer, and Chief Financial Officer of listed companies; also served as a director of multiple listed companies.	√
Mr. Cai Lei	Strategy (E)	Has a deep understanding of financial markets, investment strategies, and risk management; currently serves as Partner at Shanghai Lianxin Capital Management Co., Ltd. and Director of Auscon Biotech.	√
Dr. Yi Hua	Strategy (E), Industry Knowledge and Experience (E)	Combines experience in both scientific research and investment management; formerly served as Investment Manager, Managing Director, and Director of multiple listed companies.	√
Dr. Jin Jian	Industry Knowledge and Experience (E)	Holds a Ph.D. in Internal Medicine, an expert in pharmaceutics and pharmaceutical engineering; currently serves as Professor at Jiangnan University and Independent Director of a listed company.	√
Ms. Wang Lijuan	Financial Knowledge (E), Diversity (E)	Holds a Master's degree in Business Administration, long engaged in teaching and research in enterprise management; formerly served as Vice Dean of the School of Business at Jiangnan University and Responsible Professor of the MBA Program.	√
Mr. Wei Shirong	Risk Management and Compliance (E), Diversity (E)	Holds a Bachelor's degree in English, a major in law, and a postgraduate diploma; possesses multiple qualifications including Chinese Licensed Lawyer, Investment Project Analyst, and Transaction Specialist, with over 20 years of legal professional experience; currently serves as Senior Partner at Beijing Dacheng (Jinan) Law Firm and Independent Director of a listed company.	√
Mr. Ye Yunkai	Financial Knowledge (E), Diversity (E)	Possesses over 21 years of experience in accounting, investment banking, and corporate financing; formerly served as Executive Director at J.P. Morgan and CEO of a financial holding company.	√

Note: E = essential skills currently required by the Board; F = new skills to be added in the future or in response to anticipated situations.

Board Remuneration Management

The Company has formulated and implemented the Rules of Procedure for the Remuneration and Assessment Committee. The Remuneration and Assessment Committee is responsible for determining the remuneration policies for directors and senior management, assessing their annual performance, and making recommendations to the Board of Directors. To further incentivize key talent, the Company had implemented an equity incentive plan prior to its listing to align the interests of key employees with those of shareholders. Following the listing, in November 2025, the Company resolved to adopt the H-share award trust plan, aiming to align the interests of employees, management, and shareholders, attract, retain, and motivate key talent, and thereby drive the Company's sustainable development and long-term success. The Company is also actively exploring the inclusion of ESG performance indicators in the annual assessment of senior management, so as to promote the alignment of their individual performance with the Company's sustainable development goals.

CF PHARMTECH's Board Information

Indicator	Unit	2023	2024	2025
Number of board members	Person(s)	11	11	11
Number of male directors	Person(s)	8	8	8
Number of female directors	Person(s)	3	3	3
Number of executive directors	Person(s)	4	4	4
Number of non-executive directors	Person(s)	3	3	3
Number of independent non-executive directors	Person(s)	4	4	4

Investor Management

The Company attaches great importance to investor relations management, adheres to the principles of compliance, equality, proactivity, and integrity, and continuously improves the investor communication mechanism. We ensure that shareholders and investors are informed of the Company's operating conditions and development strategy in a timely, comprehensive, and accurate manner through regular publication of annual and interim reports, issuance of announcements and circulars, as well as the convening of general meetings of shareholders. On the basis of safeguarding the fair right to information for all shareholders, the Company attaches great importance to protecting the rights and interests of minority shareholders. By improving the voting mechanism at general meetings of shareholders, providing convenient participation channels for minority shareholders, and enhancing the timeliness and comprehensibility of information disclosure, we effectively safeguard their rights to information and participation in major matters. Meanwhile, we have established an investor hotline, a dedicated email address, and an interactive platform to create smooth feedback channels, through which we diligently listen to and address the reasonable concerns of minority shareholders. We are committed to building long-term, stable, and trusting investor relations, driving the continuous communication of corporate value through a high degree of transparency, and delivering sustainable returns for shareholders.

CF PHARMTECH's Investor Management Performance

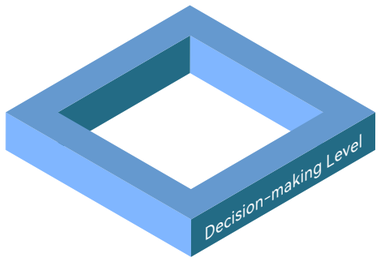
Indicator	Unit	2023	2024	2025
Annual Announcements Released	Copy/Copies	N/A	N/A	1
Performance Briefings	Session(s)	N/A	N/A	1

Risk Management

To promote standardized operations, strengthen comprehensive risk management, and ensure the sustained, stable, and healthy development of all businesses, CF PHARMTECH has formulated the Comprehensive Risk Management System, Internal Control System, Internal Audit System and other documents in light of the Company's actual situation, and is committed to achieving the goal of making risks measurable, controllable, and acceptable, thereby providing a solid guarantee for sustainable development.

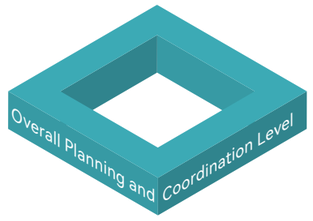
Governance Structure

The Company has established a four-tier risk management organizational structure with clearly defined authorities and responsibilities and efficient coordination, ensuring that risk management requirements are integrated into daily operations at all levels and across all processes.



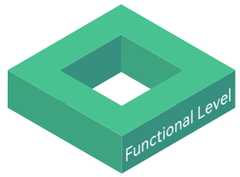
Board of Directors and Audit Committee

Determine risk preference and risk management strategy,and incorporate risk management into the overall business strategy



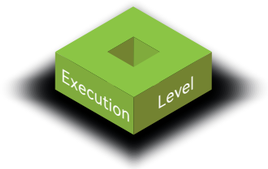
Chief Risk Officer

Oversee and coordinate comprehensive risk management, and ensure independence in the performance of duties and the right to information



Legal Department, Internal Audit Department, Information Technology Department,Board Office, etc.

Perform risk management-related functions within the scope of their respective responsibilities



Various business departments and branch offices

Department heads, the first responsible persons for risk control, take direct responsibility for risk management

Risk Management Process

The Company has established a closed-loop management process of "Identification and Assessment — Monitoring and Response — Emergency Handling — Evaluation and Accountability" to achieve systematic control over various risks.

Risk Identification and Assessment

- Continuously identify liquidity risk, market risk, credit risk, operational risk, information technology risk, etc.
- Establish risk level assessment criteria, and employ a combination of qualitative and quantitative methods for analysis and measurement
- Major investments and innovative businesses must undergo risk assessment; conducting business without assessment and authorization is strictly prohibited
- Utilize methods such as value at risk, sensitivity analysis, and stress testing to measure quantifiable risks

Risk Monitoring and Response

- Establish a risk control information system commensurate with the complexity of the business, and dynamically monitor key risk indicators
- Provide timely warnings for over-limit situations, and clarify the reporting channels and handling procedures for abnormalities
- Select avoidance, reduction, transfer, or acceptance strategies based on the risk level
- Each operational management department reports its risk management to the Chief Risk Officer quarterly

Risk Emergency Response

- Establish emergency response mechanisms for major risks and unforeseen events, and formulate contingency plans
- Clearly define triggering conditions, organizational structure, measures and methods, and operational procedures
- Continuously optimize contingency plans through stress testing and emergency drills
- Establish closed-loop management for information communication, cause analysis, and accountability

Evaluation and Accountability

- Conduct an annual internal control assessment to review the effectiveness of the risk management system, and report to the Board of Directors
- Enforce strict accountability for failures in risk management duties, including failures to implement systems and report risks in a timely manner
- Each subsidiary shall establish a risk management culture consistent with that of the parent company
- Depending on the severity of the circumstances, sanctions may include financial penalties, circulated notice of criticism, or referral to judicial authorities

Due Diligence

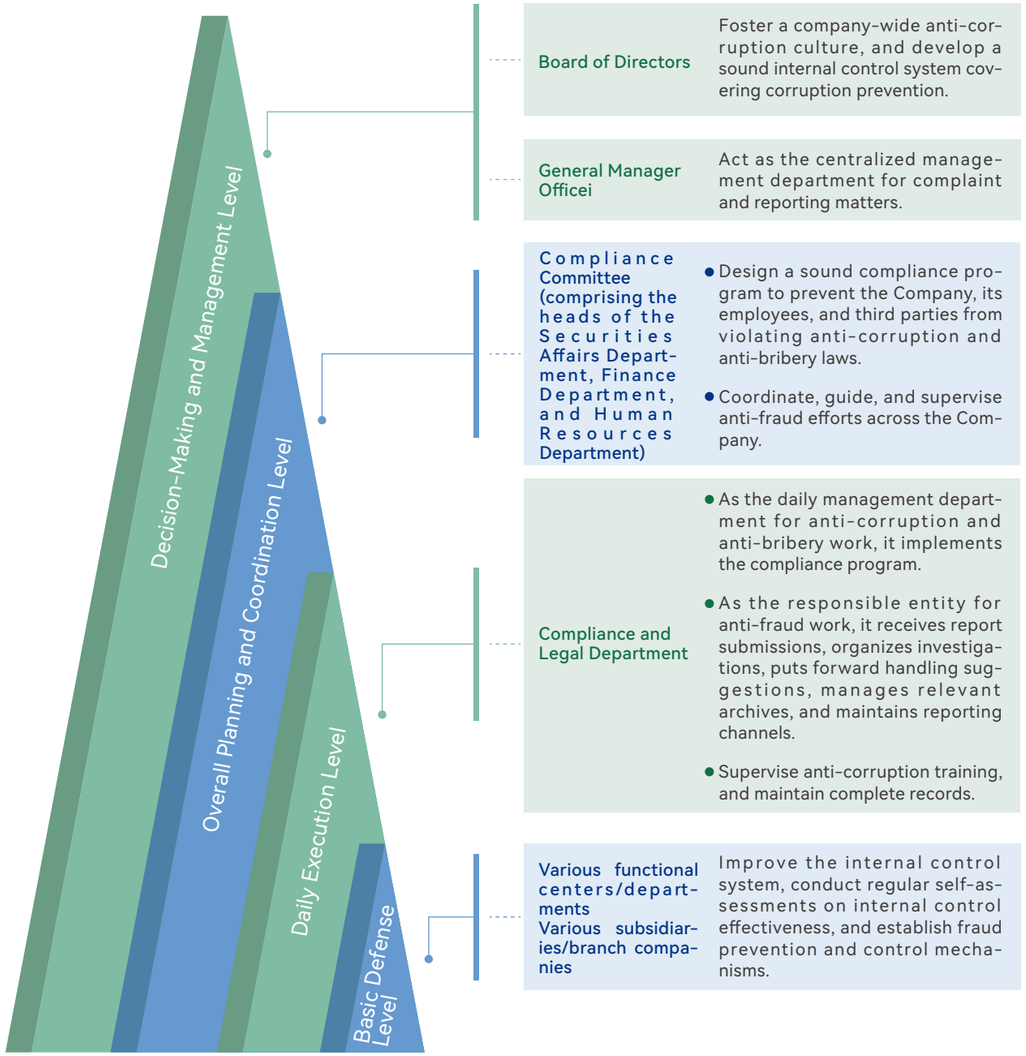
Regarding due diligence as a critical preliminary step in its risk control system, CF PHARMTECH systematically conducts due diligence in key areas such as supplier onboarding, CRO (Contract Research Organization) cooperation, business partnership, investments, mergers, and acquisitions to identify and prevent potential risks at source. The Company has established a due diligence management mechanism with clearly defined responsibilities. Functional departments including the Legal Department, Internal Audit Department, and Finance Department take the lead in or participate in due diligence based on business needs. For significant matters, the Company engages external professional institutions to issue independent due diligence reports. The results of due diligence serve as the core basis for contract approval, partner admission, and the preparation of risk mitigation measures, ensuring that risks are fully identified and effectively controlled prior to the commencement of business activities.

Business ethics

Anti-commercial Bribery and Anti-corruption

Governance Structure

CF PHARMTECH has established a comprehensive anti-corruption and anti-bribery governance system, clearly delineating responsibilities across the four levels of decision-making, management, execution, and supervision.



Board of Directors	Foster a company-wide anti-corruption culture, and develop a sound internal control system covering corruption prevention.
General Manager Officei	Act as the centralized management department for complaint and reporting matters.
Compliance Committee (comprising the heads of the Securities Affairs Department, Finance Department, and Human Resources Department)	• Design a sound compliance program to prevent the Company, its employees, and third parties from violating anti-corruption and anti-bribery laws. • Coordinate, guide, and supervise anti-fraud efforts across the Company.
Compliance and Legal Department	• As the daily management department for anti-corruption and anti-bribery work, it implements the compliance program. • As the responsible entity for anti-fraud work, it receives report submissions, organizes investigations, puts forward handling suggestions, manages relevant archives, and maintains reporting channels. • Supervise anti-corruption training, and maintain complete records.
Various functional centers/departments Various subsidiaries/branch companies	Improve the internal control system, conduct regular self-assessments on internal control effectiveness, and establish fraud prevention and control mechanisms.

System Development

CF PHARMTECH strictly adheres to domestic laws and regulations such as the Criminal Law of the People's Republic of China and the Drug Administration Law of the People's Republic of China, while complying with international regulatory requirements including the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UK ACT) and the Hong Kong Special Administrative Region's Prevention of Bribery Ordinance. Leveraging the characteristics of the pharmaceutical industry, we have established a business ethics system centered on the Anti-Corruption and Anti-Bribery System and the Anti-Fraud and Reporting Management System, upholding a "zero-tolerance" policy against corrupt practices and integrating compliance requirements into all business processes, including procurement, sales, academic promotion, and third-party cooperation.

Control Measures

We explicitly prohibit employees from offering bribes to state functionaries, healthcare professionals, transaction counterparties, or any other organizations or individuals capable of influencing transactions for the purpose of securing business opportunities or competitive advantages. We also prohibit employees from engaging in such improper acts indirectly through third parties such as consultants and agents. The term "anything of value" is defined broadly and strictly, encompassing cash, gifts, hospitality, entertainment, meals, travel, political and charitable donations, business opportunities, and the like. In view of the specific nature of interactions with government officials and healthcare professionals in the pharmaceutical industry, the Company has formulated targeted control measures.

Interaction with Government Officials

Bribing government officials entails specific reputational and legal risks. Employees must ensure that they do not engage in any conduct that violates this Policy or relevant laws. The Company strictly prohibits all "facilitation payments".

Gifts and Hospitality

The Company strictly prohibits the offering of any gifts or hospitality that could be regarded as an attempt to improperly influence the recipient's decision-making. In principle, gifts offered to government officials are limited to reasonable, low-value promotional materials bearing the Company's logo. All hospitality for government officials, regardless of amount, requires prior written approval, with a frequency of no more than twice a year. Gifts and hospitality offered to business counterparties shall comply with the principles of reasonableness, moderation and lawfulness, and shall be subject to prior approval and reporting procedures.

Gifts Received

Gifts and hospitality received in the course of business interactions that exceed reasonable and necessary limits shall generally be refused. Exceptions may include small-value commemorative gifts in line with local business practices or reasonable hospitality for legitimate purposes, provided that all such items are subject to the gift registration procedure.

Third-Party Management

In light of the extensive use of third-party service providers in the pharmaceutical industry, the Company has formulated stringent rules for third-party management. The Company strictly prohibits the use of third parties to engage in illegal or non-compliant conduct. During the onboarding process, the Company conducts a comprehensive assessment of each third party's background, qualifications, capabilities, reputation, and risks arising from interactions with government officials. Throughout the contract term, the Company conducts ongoing supervision and management to ensure deliverables are reasonably aligned with pricing. All third parties are required to acknowledge the Company's compliance commitments, and binding anti-bribery and anti-corruption clauses are explicitly incorporated into relevant contracts.

Reporting Mechanism

The Company has established a standardized reporting management mechanism, encouraging employees and stakeholders to report violations through designated channels, protecting the legitimate rights and interests of whistleblowers, and safeguarding the business integrity environment.

Reporting Email: cfaudit@cfpharmtech.com

Handling Process for Reporting

REGD

Compliance and Legal Department
Record the whistleblower's information, the reported content, and the reporting time

Preliminary Review

Compliance and Legal Department
Determine whether the report falls within the handling scope; if not, notify the whistleblower and state the reasons

Investigation and Verification

Compliance and Legal Department/Investigation Team
Adhere to the principles of objectivity, impartiality and confidentiality, conduct in-depth investigation and collect relevant evidence.

Handling Decision

Compliance Committee
Make a handling decision based on the investigation results, including the identification of violations, sanction measures and reply to the whistleblower.

Appeal and Feedback

Compliance and Legal Department
Promptly communicate the handling decision to the whistleblower and solicit their opinions. The whistleblower may file an appeal within the specified period.

Safeguard Measures

SafeguardMechanism	Measures
Confidentiality Protection	Whistleblower information and the reported content shall be kept strictly confidential and inaccessible to unauthorized personnel; individuals involved in investigations must comply with confidentiality requirements
Anti-Retaliation Protection	No department or individual shall retaliate against whistleblowers in any form
Handling of False Reports	Individuals who file malicious complaints, submit false reports, or provide false information shall be subject to disciplinary action depending on the severity of the circumstances
Reward for Truthful Reporting	Individuals who submit substantiated reports will receive appropriate rewards such as commendations and bonuses upon verification

Anti-Corruption Culture Development

The key to any system lies in its implementation and execution. We are committed to integrating business ethics into our corporate culture. Through institutional development, case-based warnings and cultural promotion, we guide all employees to uphold correct values and professional conduct, voluntarily comply with compliance requirements in daily work, and jointly foster a working environment characterized by integrity and righteousness.

Case **Training on Business Conduct Guidelines and Marketing Compliance**

Specialized Training on Business Conduct Guidelines and Marketing Compliance

The Company organized and conducted specialized training on "Business Conduct Guidelines and Key Marketing Compliance Points", covering employees in core positions such as sales, marketing, and business. The training focused on key topics including the protection of trade secrets, anti-corruption, anti-commercial bribery, and conflict of interest management. Leveraging typical scenarios in the pharmaceutical industry, it systematically interpreted the latest regulatory requirements, including the Guidelines for Preventing Commercial Bribery Risks in Pharmaceutical Enterprises issued by the State Administration for Market Regulation. Through case analysis, the training helped employees identify the compliance boundaries of high-risk scenarios such as donations and sponsorships, academic conferences, gifts, and hospitality, and reinforced a value-driven rather than relationship-driven marketing philosophy. As an important part of the Company's annual compliance education, this training was aimed at integrating compliance awareness into daily business activities and building a strong line of defense for integrity in professional conduct.

Case **Specialized Training on Anti-Corruption and Anti-Commercial Bribery**

Specialized Training on Anti-Corruption and Anti-Commercial Bribery

The Company organized and conducted specialized training on "Basic Legal Knowledge — Anti-Corruption and Anti-Commercial Bribery" for all employees and key management personnel. During the training, we systematically reviewed the requirements of domestic and overseas laws and regulations, including China's Criminal Law and Anti-Unfair Competition Law, Hong Kong's Prevention of Bribery Ordinance, the U.S. Foreign Corrupt Practices Act (FCPA), and the UK Bribery Act (UKBA), providing an in-depth analysis of the constitutive elements and prosecution criteria for common offences such as accepting bribes by non-state functionaries and offering bribes to non-state functionaries. In light of regulatory enforcement trends in the pharmaceutical industry, the training highlighted compliance red lines covering interactions with public officials, gifts, hospitality, academic donations, rebates, and discounts, and clarified the absolute ban on off-the-book and covert rebates. Through regulatory interpretation and case studies, the training was aimed at enhancing employees' ability to identify and prevent legal risks arising from commercial bribery, and fostering a sound corporate culture built on integrity and righteousness.

Case **Specialized Training on Anti-Money Laundering**

Specialized Training on Anti-Money Laundering

The Company concurrently organized and conducted specialized training on "Basic Legal Knowledge — Anti-Money Laundering". During the training, centered on the core requirements of the Anti-Money Laundering Law, we systematically explained the definition of money laundering, types of predicate offenses, and the anti-money laundering obligations of financial institutions and designated non-financial businesses and professions, with a focus on key aspects such as customer due diligence, transaction record retention, and reporting of large-value and suspicious transactions. In light of the business features of the pharmaceutical industry, the training emphasized the need to prudently verify customer identities in commercial cooperation and capital transactions, assess the reasonableness of transactions, and promptly complete internal reporting procedures for abnormal circumstances involving suspected money laundering and terrorist financing. This training was aimed at raising employees' awareness of anti-money laundering risks, ensuring that the Company's business activities complied with domestic and overseas anti-money laundering regulatory requirements, and safeguarding the Company's bottom line for compliance operations.

Anti-Corruption Training and Compliance Management Performance

Indicator	Unit	2023	2024	2025
Total number of executive directors who have completed anti-commercial bribery and anti-corruption training	Person(s)	4	4	4
Percentage of executive directors who have completed anti-commercial bribery and anti-corruption training	%	100	100	100
Total number of management personnel who have completed anti-commercial bribery and anti-corruption training	Person(s)	5	5	5
Percentage of management personnel who have completed anti-commercial bribery and anti-corruption training	%	100	100	100
Total number of employees who have completed anti-commercial bribery and anti-corruption training	Person(s)	83	180	210
Percentage of employees who have completed anti-commercial bribery and anti-corruption training	%	13	30	41
Average training duration per employee on anti-commercial bribery and anti-corruption	Hour(s)	1	4	6
Filed corruption lawsuits	Case(s)	0	0	0

Anti-Unfair Competition

In its business operations, CF PHARMTECH strictly adheres to the Anti-Unfair Competition Law of the People's Republic of China and relevant regulatory requirements, and upholds the principles of fair market competition and business integrity. In dealings with industry peers, suppliers, and customers, we oppose any form of unfair competition, including but not limited to commercial defamation, false advertising, infringement of commercial secrets, and disruption of market order.

CF PHARMTECH did not engage in any unfair competition conduct during the reporting period.

Data Security and Customer Privacy Protection

CF PHARMTECH strictly complies with laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. In accordance with national standards such as the Information Security Technology — Personal Information Security Specification, it has established a comprehensive system centered on the Data Security Management Policy, covering data classification and grading, security education and training, compliance audits, emergency response, and confidential file management, and integrating data security and privacy protection requirements into every aspect of business operations.

Data Lifecycle Security Management

We have established a full-process control mechanism covering data collection, storage, use, external provision, cross-border transmission, and deletion.

Lifecycle Stages	Core Measures
Data Collection	Collect data through lawful and proper means; when personal information is collected, inform data subjects of the purpose, method, and scope of collection in accordance with the law and obtain their consent; when sensitive personal information is collected, obtain separate consent and conduct a Personal Information Protection Impact Assessment; when data is indirectly obtained, sign agreements with data providers and verify the legality of the data sources
Data storage	Define storage periods and control measures based on data classification and grading results; establish a backup and recovery mechanism and conduct regular data backup and recovery drills; promptly delete or anonymize data beyond the specified storage period
Data Use	Follow the principles of "business necessity" and "least privilege", and establish an approval mechanism for data use demands and authorization management mechanisms; maintain operation logs covering time, IP address, user ID, operation content, operation objects and other information, with a retention period of no less than 6 months
External Provision	Conduct a Personal Information Protection Impact Assessment before providing data to third parties; sign data processing agreements and, when necessary, separate non-disclosure agreements; strengthen control and security monitoring of data transmission interfaces, and adopt measures such as encrypted transmission and data masking
Cross-Border Transmission	In principle, domestically store data collected and generated within mainland China; where cross-border transmission is necessary, obtain authorized consent from data subjects and comply with applicable laws and regulations; and conduct a Personal Information Protection Impact Assessment for cross-border transmission of personal information
Rights Safeguarding	Safeguard the rights of personal information subjects, including the right to know, decide, access, copy, correct, supplement, delete, and request explanations, and respond to exercise demands in a timely manner; ensure unobstructed channels for complaints and feedback

Information Security Incident Emergency Response

In accordance with the Administrative Measures for Information Security Incident Emergency Response, the Company has established a scientific and effective emergency response mechanism to ensure timely and standardized handling of information security incidents.

Incident Grading: Based on factors such as system downtime, scope of impact, and extent of data loss, incidents are classified into four levels: Critical (Level I), Major (Level II), Moderate (Level III), and Minor (Level IV).

Emergency response process

Process Stages	Core Measures
Incident Detection	The IT Department strengthens monitoring measures and log reviews. All employees are obligated to report suspicious information security issues. Any interference with, obstruction of, or retaliation against such reporting is strictly prohibited
Incident Reporting and Assessment	Upon detection of an incident, the IT Department shall be notified immediately. Following preliminary localization by the IT Department, a report shall be submitted to the Data Security Management Committee. The Committee shall assess the incident level and determine whether to activate the emergency response plan
Emergency Response Implementation	Targeted measures are implemented in accordance with the Information Security Incident Emergency Manual: • Cybersecurity Incidents: For hacker attacks, isolate affected devices and trace the attack source; for virus infections, disconnect the spreading source, and quarantine and remove the viruses; for network intrusions, isolate affected systems, perform forensic analysis, and eliminate hidden risks • Data Security Incidents: Promptly document the incident upon confirmation; identify whether personal information is involved; temporarily block leak sources and fix vulnerabilities; assess the severity of harm and notify affected persons • Personal Information Security Incidents: Document the incident upon confirmation; take emergency measures to mitigate impacts; report to regulatory authorities in accordance with the law; issue public warning notice when individual notification is not feasible
Incident Summary	Upon completion of incident handling, establish an investigation team to ascertain the causes and losses, and formulate an incident handling report, which is reviewed and archived by the Data Security Management Committee
Emergency drills	The IT Department regularly formulates drill plans and conducts at least one complete set of tests and drills each year to verify the effectiveness of contingency plans and improve practical response capabilities

Personal Information Protection Compliance Audit

The Company conducts regular personal information protection compliance audits in accordance with the Personal Information Protection Compliance Audit System, to ensure that personal information processing activities consistently comply with applicable laws and regulations.

Audit Management Stages	Core Measures
Audit Frequency	When processing personal information of less than 1 million individuals, conduct an audit at least once every two years; upon receiving a request from regulatory authorities, timely conduct the audit as required
Audit Method	May be conducted by internal bodies or entrusted to professional institutions; when entrusted to professional institutions, follow the principles of fairness, integrity, and prudence, and review their qualifications and independence
Audit Implementation	Professional institutions may request the provision of documents and materials, access to relevant premises, investigation of business activities and information systems, and interviews with relevant personnel; in principle, the audit shall be completed within 90 working days
Rectification Mechanism	Establish a mechanism for rectifying issues identified in audits, with the Data Security Management Committee as the responsible department for rectification; make timely rectification and submit the results to regulatory authorities
Audit Archives	Upon completion of each audit, the Data Security Management Committee shall retain audit archives in accordance with applicable regulations; the retention period shall comply with national and Company archives management regulations

During the reporting period, CF PHARMTECH did not experience any information or privacy disclosure incidents.

02

Pursue Green Development, Protect Your Breath

UN SDGs Addressed in This Chapter:

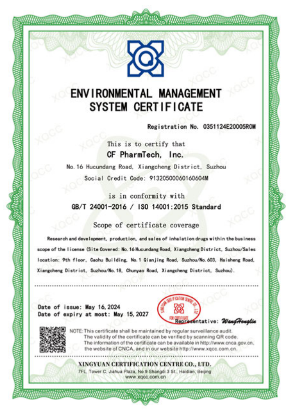
CF PHARMTECH attaches great importance to environmental protection and has established a comprehensive governance framework to ensure strict compliance with laws and regulations, as well as effective control and handling of environmental matters, thereby facilitating the effective implementation and continuous improvement of its environmental management system.

Environmental and Ecological Protection

CF PHARMTECH consistently upholds its bottom line for environmental compliance, strictly adheres to environmental laws, regulations, and industry standards, has established a sound environmental management system, and continuously strengthens pollutant control, energy conservation, emissions reduction, and green production, ensuring compliant and controllable operation throughout all processes. The Company actively embraces the philosophy of ecosystem and biodiversity conservation, integrates ecological protection into R&D, production, operation and other aspects, promotes the harmonious coexistence of industrial development and the natural ecology, and leverages responsible environmental governance to support high-quality, sustainable corporate development.

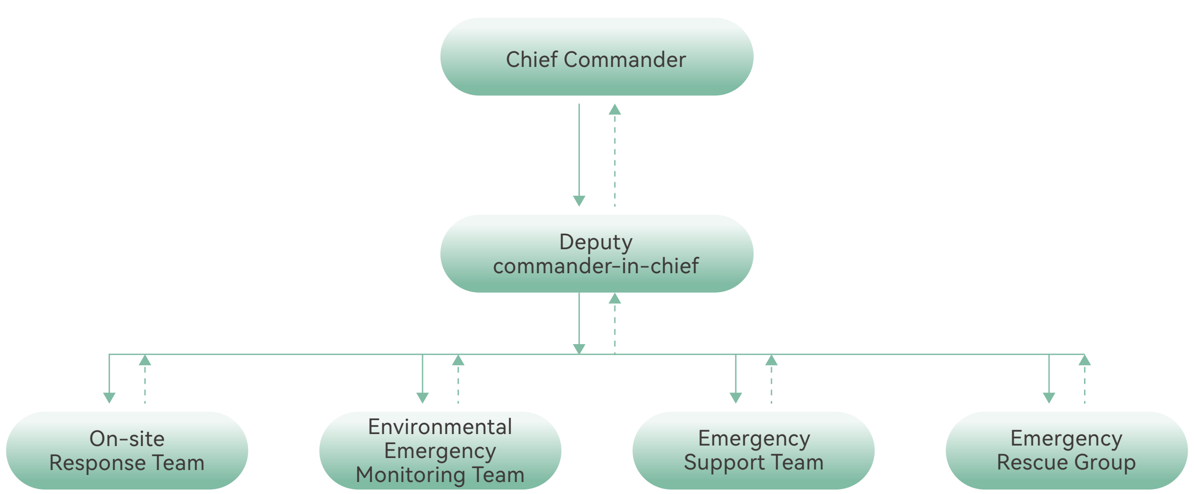
Environmental Compliance Management

CF PharmTech strictly complies with the Environmental Protection Law of the People's Republic of Chinaand other environment-related laws and regulations. It has established a series of environment-related institutional systems (e.g., the Environmental Operation Control Procedure) and formed a three-level governance structure comprising the Board of Directors, the ESG Working Group, and EHS (Environment, Health, and Safety) to ensure environmental compliance.Currently, CF PharmTech has obtained the ISO 14001 Environmental Management System Certification and the Suzhou Municipal Green Factory Certification. It plans to apply for the National Green Factory Certification in 2026, a process that is progressing steadily.



ISO 14001
Environmental Management System Certificate

CF PHARMTECH actively responds to the Measures for the Administration of Emergency Response to Sudden Environmental Incidents and formulates the CF PHARMTECH Contingency Plan for Sudden Environmental Incidents to address environmental emergencies. The Company has established a three-tier emergency organizational structure including the Chief Commander, Deputy Commander and on-site working groups. During the reporting period, the Company did not experience any sudden environmental incidents.



Emergency Organizational Structure

To further prevent sudden environmental incidents and raise employees' awareness of environmental protection and emergency response, the Company regularly organizes environmental emergency drills. In May 2025, the Company organized an emergency drill for hazardous chemical leakage and the disposal of leaked pollutants. A simulated emergency scenario covered the accidental drop of an acetone reagent bottle in the QC laboratory, which caused solvent leakage and minor cuts to employees. During the drill, employees responded promptly and cooperated actively, performed their respective duties in compliance with the contingency plan, and successfully completed the drill.

Emergency Drill

Biodiversity Protection

CF PHARMTECH consistently regards biodiversity conservation as a core component of its sustainable development initiatives and strictly complies with laws and regulations including the Regulations of Jiangsu Province on Biodiversity Conservation, as well as local ecological and environmental management requirements.

Based on the assessment, the Company's manufacturing base is more than 4.5 kilometers away from ecological control areas, including Caohu Important Wetland, Xitang River, and Wangyu River Clean Water Channel Conservation Area. Furthermore, the site is not situated within major ecologically sensitive areas, such as habitats for species included in the IUCN Red List or nature reserves. Considering the operational characteristics of the pharmaceutical industry, the Company systematically identifies potential impact pathways, including wastewater discharge on aquatic ecosystems, chemical spills on soil and water bodies, and waste disposal on the surrounding environment. In addition, the Company ensures that these associated risks remain within a controllable range through stringent management and control.

The Company explicitly complies with biodiversity conservation laws and regulations in all locations where it operates, and commits to incorporating biodiversity impact assessments into the decision-making process for new reconstruction and expansion projects, as well as major operational changes. Meanwhile, the Company pays close attention to the indirect impacts arising from upstream raw material procurement, prioritizes suppliers complying with sustainable management requirements, and jointly drives the sustainable development of the industrial chain.

Climate Change Response

Climate change poses severe challenges to human well-being and the Earth's ecological balance, urgently requiring more proactive and robust actions to accelerate climate adaptation and mitigation. CF PHARMTECH consistently places high priority on addressing climate change and actively engages in climate action.

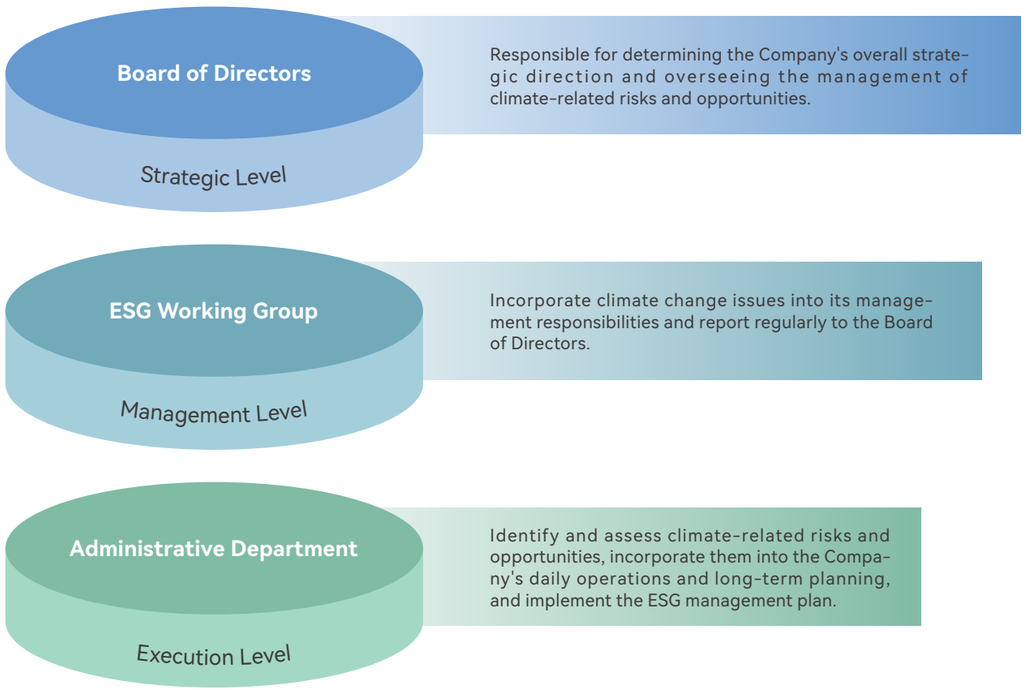
Strategy

Treating climate change response as a core sustainability issue, CF PHARMTECH is committed to achieving a balance between business growth and low-carbon transition, and enhancing corporate resilience and long-term value through structured climate initiatives. Guided by the core pillars of "Emission Reduction, Adaptation, Innovation, and Synergy", our climate strategy aims to proactively identify and manage climate-related risks while seizing development opportunities brought by the low-carbon transition.

Governance

CF PHARMTECH places high priority on addressing climate change. Based on compliance with the Requirements for Greenhouse Gas Management System, the Company continuously improves internal governance mechanisms and methods, and has established a climate change governance structure comprising the Board of Directors, the ESG Working Group, and relevant functional departments responsible for climate change response. The Administrative Department serves as the lead functional department for addressing climate change. The ESG Working Group regularly consolidates its working results and reports them to the Board of Directors.

Climate Governance Structure



Impact, Risk, and Opportunity Management

Through systematic policy research and expert consultation, the Company accurately identifies climate change risks and opportunities related to its operations, and comprehensively assesses their short, medium, and long-term impacts from financial and operational perspectives, thereby promoting the in-depth integration of climate change issues into the ESG governance framework.

Climate Risk Analysis

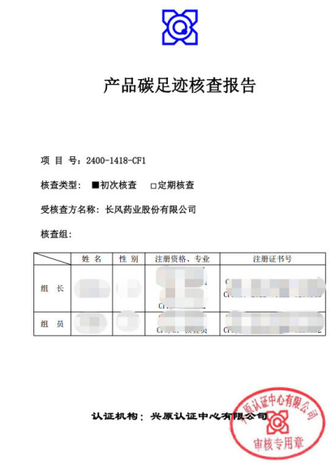
Risks		Risk Description	Impacts	Time Horizon of Impact	Response Measures
Physical Risks	Acute Physical Risks	Hurricanes and Floods	· Damage to production facilities and equipment failure, resulting in production interruption · Damage to raw materials and finished goods inventory, resulting in direct economic losses · Supply chain disruption	Short-term/ Medium-term	· Develop contingency plans for extreme weather · Cooperate with multiple logistics suppliers
	Chronic Physical Risks	Changes in average annual rainfall or temperature	· Increased energy consumption and higher operating costs due to temperature rise · Raw material supply affected due to extreme drought or excessive rainfall	Medium-term/ Long-term	Establish energy consumption management platform and information management platform to control consumption
Transition Risks	Policy and Legal Risks	Tightening of environmental emission standards	Additional investment required for retrofitting the existing production processes	Short-term/ Medium-term	CF PHARMTECH has currently achieved zero wastewater discharge and strictly implements national environmental standards and policies
	Technology and Market Risks	Early adoption of low-carbon technologies (such as energy-efficient processes and green packaging) by peer pharmaceutical companies	Reduced competitiveness of the Company's products	Medium-term/ Long-term	Conduct market research to understand customer demand for low-carbon products and drive the green upgrading of existing products

Climate Opportunity Analysis

Opportunities	Opportunity Description	Time Horizon of Impact	Response Measures
Resource Utilization	The state encourages the improvement of resource and energy utilization efficiency	Medium-term/ Long-term	Implement water sub-metering retrofits to effectively monitor water consumption at each node, rapidly identify water leakage points, and reduce water waste
Energy Utilization	Enterprises with low energy consumption gain a competitive edge in the market	Short-term/ Medium-term	Implement a series of energy retrofit measures such as installation of float level gauges to reduce energy consumption
Circular Economy	Low-carbon, green, and recyclable packaging is more favored by consumers	Short-term/ Medium-term	Implement packaging recycling to establish a sustainable supply chain
Products and Services	High-quality products and superior services are more favored by consumers	Medium-term/ Long-term	· Restrict the use of hazardous substances and materials throughout the product development process · Innovate, develop and integrate low-energy-consuming products

Case **Product Lifecycle Carbon Management**

In response to the national call for greenhouse gas emission reduction, CF PHARMTECH continues to advance the development of green and low-carbon products, and actively conducts product lifecycle carbon management practices. Based on international standards such as ISO 14067 and PAS 2050, the Company conducts full-process carbon footprint accounting and third-party verification for its core product, Budesonide Suspension for Inhalation (2ml:1mg). The accounting boundary covers key "cradle-to-gate" stages including raw material acquisition, material transportation, and product manufacturing. The product's carbon footprint, verified by an independent institution, is 78.493 gCO_2e per unit, with production accounting for the majority of emissions, and raw material and transportation stages contributing a relatively small proportion. Through product carbon footprint quantification and data management, the Company further identifies low-carbon optimization potential, advances energy conservation and carbon reduction as well as green transformation in pharmaceutical production, and supports the pharmaceutical industry's sustainable development with low-carbon products.



产品碳足迹核查报告

项 目 号：2400-1418-CF1

核查类型： ■初次核查 □定期核查

受核查方名称：长风药业股份有限公司

核查组：

	姓 名	性 别	注册资格、专业	注册证书号
组 长				
组 员				

认证机构：兴原认证中心有限公司

兴原认证中心有限公司 审核专用章

Indicators and Targets

The Company regularly monitors climate-related indicators, continuously improves energy consumption management, and focuses on reducing greenhouse gas emissions during operations. Meanwhile, we set carbon emission reduction targets based on actual operating conditions and track progress annually.

Objective

In 2026, the company aims to achieveGreenhouse gasemission intensityof 0.35tCO_2e /10,000 CNY revenue. Looking ahead, we will continue to respond to the national strategy of “achieving carbon peak by 2030 and carbon n eutrality by 2060.” Using phased emission reduction targets as key drivers, we will steadily advance low-carbon transf ormation across the entire value chain and faithfully fulfill our corporate responsibility to address climate change.

Greenhouse Gas Emissions[1]

indicator	Unit	2023	2024	2025
Scope 1 emissions	tCO_2e	30.00	30.00	81.08
Scope 2 emissions	tCO_2e	9,348.00	9,007.00	12,855.74
Total Greenhouse Gas Emissions	tCO_2e	9,378.3	9,036.0	12,936.82
Greenhouse gas emission intensity	tCO_2e /10,000 CNY revenue	0.17	0.15	0.30

[1] During the reporting period, the greenhouse gas (GHG) accounting boundary is limited to CF PHARMTECH. The accounting method refers to the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial). Scope 3 emissions have not been disclosed for the time being, and gradual coverage of Scope 3 accounting will be considered in the future. Natural gas emissions were not verified during the prospectus preparation stage.

Energy Management and Circular Economy

CF PHARMTECH adheres to the green and low-carbon development philosophy, strictly complies with national energy management requirements, actively promotes the application of energy-saving technologies, optimizes production processes and energy consumption structures, strengthens control over key energy-consuming steps, continuously improves energy efficiency, advances energy management toward refinement, standardization and intelligence, and supports sustainable development through an efficient, clean and low-carbon energy consumption model.

CF PharmTech attaches great importance to energy management, continuously optimizing energy consumption measures. It has formulated a series of management systems for water, electricity, and gas in public facilities—including the Industrial Steam System Operating Procedures—established an energy consumption management platform, and regularly tracks key indicators such as energy consumption volume and intensity. The company continuously refines its energy management system to reduce energy use.Its energy management structure follows a three-level governance framework comprising the Board of Directors, the ESG Working Group, and the factory. CF PharmTech has obtained ISO 50001 Energy Management System Certification.


ENERGY MANAGEMENT SYSTEM CERTIFICATE

Registration No. 03501246e20111R0M

This is to certify that
CF PharmTech, Inc.
No.16 Hucundang Road, Xiangcheng District, Suzhou
Social Credit Code: 91320500060160648

is in conformity with
GB/T 23331-2020/ISO 50001:2018 and RB/T 114-2023 Standard

Scope of certificate coverage

Energy management activities related to research and development, production, and sales of inhalation drugs within the business scope of the license (Geographic Location: No.16 Hucundang Road, Xiangcheng District, Suzhou; 9th Floor, Gaohu Building, No.1 Qianjing Road, Suzhou; No. 603, Nanhang Road, Xiangcheng District, Suzhou; No. 18, Shunyao Road, Xiangcheng District, Suzhou)

Product comprehensive energy consumption per product unit and accounted boundary of energy consumption as shown in attachment.

Date of issue: May 28, 2024 Date of expiry at most: May 27, 2027

NOTE: This certificate shall be maintained by regular surveillance audit. The validity of the certificate can be verified by scanning QR code. The information of the certificate can be available in http://www.cnca.gov.cn, the website of CNCA, and in our website http://www.xgcc.com.cn.

XINGYUAN CERTIFICATION CENTRE CO., LTD.
7F1, Tower C, Jiahua Plaza, No.9 Shangdi 3 St., Haidian, Beijing
www.xgcc.com.cn

ISO 50001
Energy Management System Certification ▶

Energy Consumption Management Platform

Case Energy-Saving Retrofits to Reduce Energy and Resource Consumption

During the reporting period, CF PHARMTECH implemented a series of energy-saving retrofit measures to achieve automated production, refined water management and efficient raw material utilization, thereby continuously reducing energy and resource consumption.

In the raw material feeding stage, the Company has established an enclosed automated feeding system. With precise connection between robotic arms and material storage tanks, the workflow from raw material outbound to delivery to production equipment operates in a fully enclosed and automated manner, eliminating potential material spillage during manual feeding and avoiding energy waste caused by frequent start/stop of conventional feeding equipment.

To address resource waste arising from water replenishment in production, the Company has fully installed float level gauges on key water-consuming equipment such as preparation tanks, cleaning tanks and cooling water circulation systems, establishing an automated water replenishment management system to precisely match water demand with water supply. The float level gauge monitors water level changes within the equipment in real time. When the water level drops below the preset threshold, the system automatically opens the water replenishment valve. Once the set water level is reached, the valve closes immediately, completely replacing the traditional manual mode.

The Company focuses on continuous equipment upgrading and process optimization, replacing conventional high-energy-consumption mixing and sterilizing equipment with high-efficiency and energy-saving products to improve energy efficiency. Meanwhile, it optimizes production processes to reduce plastic pellet consumption and minimize waste generation.

Robotic Arms and Automation Technologies Used in Filling, Material Conveying and Tour Inspection

Automated Water Replenishment Achieved by Float Level Gauge

Equipment Upgrading and Process Optimization to Improve Raw Material Utilization and Reduce Plastic Pellet Consumption

Case Shared Reusable Packaging to Advance Sustainable Supply Chain Governance

During the reporting period, CF PHARMTECH established a reusable packaging sharing system, encouraging suppliers to adopt renewable or recyclable materials. Dedicated recycling containers and pallets are used to replace disposable cartons and plastic pallets, promoting resource circularity. Following implementation, the Company reduced the use of approximately 6,000 cartons in 2025, while supplier packaging costs decreased by approximately 83%.

Circular Utilization of Packaging Materials

To actively respond to China's "dual carbon" strategy and fulfill its commitment to green production, the Company optimized the packaging of Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray from large boxes to compact packaging. Through structural redesign and improved space utilization, paper usage per box was reduced by approximately 30%, significantly saving paper and reducing carbon emissions.

Reduction of Excessive Packaging

Objective

In 2026, the company's target for energy consumption intensity is 8 tons of standard coal equivalent per million RMB in revenue.The company will continue to optimize its energy structure and innovate its production processes, striving to achieve a year-on-year reduction in energy consumption intensity over the medium and long term, while continuously b enchmarking against industry leaders."

Key Performance

indicator	Unit	2023	2024	2025
Purchased Electricity	GWh	7.50	7.80	12.03
Purchased Steam	GJ	34,654.47	40,645.78	51,313.80
Gasoline	L	10,776.00	16,758.06	21,452.00
Diesel	L	2,342.00	2,348.26	3,262.00
natural gas	10,000 Nm3	47.25	0.00	0.00
Total energy consumption	tce	2,122.91	2,366.36	3,256.97
Energy consumption intensity	tce/Million CNY revenue	3.82	3.89	7.53
Total Packaging Materials Used for Finished Products	t	1,073.33	1,370.05	811.36
Total Reused Packaging Materials	t	N/A	N/A	N/A
Proportion of Reused Packaging Materials	%	N/A	N/A	N/A

WATER MANAGEMENT

Management Policies and Objectives

The Company consistently upholds the green development philosophy and fully recognizes the importance of water as a key production resource. We are committed to advancing refined water management across the Company, and integrating water conservation into all aspects from daily office operations to production activities.

To solidify the foundation of green development, the Company has formulated water management principles featuring source reduction, process control and full staff participation. We are systematically advancing the precise metering retrofits for water resources equipment to enable data-driven management decisions. Meanwhile, we actively advocate for all staff to foster the environmental awareness that "water conservation is everyone's responsibility", encouraging employees to develop good habits such as turning off valves promptly and using water on demand. Through the dual improvement of technology and awareness, the Company reduces water consumption and waste at source, and drives sustainable development through refined management measures.

Sound Management System and Institutional Safeguard

To ensure scientific, compliant and efficient water management, the Company has established a complete water supply and drainage management system covering the full process of "production – use – discharge", providing a solid foundation for refined operations.

Source Assurance: Pharmaceutical Water System Qualification

The Company strictly implements periodic qualification and validation for its pharmaceutical water systems, including purified water, water for injection, etc., to ensure that water production equipment maintains stable and efficient operation at all times. Through validation activities, we ensure that produced water quality complies with pharmacopoeia standards. Meanwhile, we optimize water production process parameters to prevent energy and water waste arising from equipment abnormalities and reduced operational efficiency.

Process Monitoring: Tiered Water Quality Monitoring Plan

In accordance with the formulated procedures including Water Quality Monitoring (Commercial) and Water Quality Monitoring (Non-commercial), the Company implements tiered water quality management in production. For commercial production lines, the Company deploys online monitoring equipment to enable real-time feedback and early warning on key indicators; for non-commercial processes including R&D and pilot testing, it conducts regular sampling and testing to ensure water quality compliance. This differentiated monitoring strategy not only ensures product quality and optimizes the allocation of testing resources, but also effectively reduces unnecessary water-consuming operations such as rinsing and discharge.

System Operation & Maintenance: Water Supply and Drainage System Management Procedure

In accordance with the Water Supply and Drainage Management Procedure, the Company carries out regular tour inspections and preventive maintenance on all water supply and drainage pipe networks and ancillary facilities within the plant to strictly prevent water leakage. Meanwhile, this procedure clearly specifies the drainage routes for different types of wastewater, including domestic wastewater, production wastewater and clean wastewater, ensuring the separation of clean and polluted streams and laying a solid foundation for subsequent wastewater treatment and potential reclaimed water reuse. This procedure also specifies the emergency response processes for abnormalities to minimize environmental risks.

Deepening Refined Management Practices

Three-Tier Metering System Development

At the end of 2023, the Company advanced the precise metering retrofits for water resources equipment, established a three-tier metering network covering "main water intake — workshop/building — key equipment" to enable real-time monitoring and precise pinpointing of water consumption, thereby providing data support for tapping water conservation potential.

Water Balance Testing

The Company consistently adopts data-driven refined water resource management. Leveraging real-time monitoring data from metering devices in production processes and office areas, it regularly conducts plant-wide water balance testing. By analyzing the alignment between water consumption, production capacity and operating revenue across various departments and processes, the Company accurately identifies hidden leakage points and abnormal water consumption. At the end of 2023, the Company identified issues including hidden leaks in workshops through water balance testing, and implemented corrective measures such as pipeline sealing retrofits, thereby providing solid support for efficient water resource utilization, energy conservation and cost reduction.

Water Conservation Technologies and Behavioral Advocacy

The Company posts water conservation signs in public areas; optimizes cleaning processes, promotes water conservation technologies, and enhances employee training in production workshops; regularly conducts water conservation awareness campaigns to instill a conservation mindset among all staff and turn the principle of "water conservation is everyone's responsibility" into daily practices.

Objective

In 2026, the company's target for water consumption intensity is 2 tons per ten thousand RMB of revenue.The Company will continue to promote water resource recycling and water-saving process improvements, striving to achieve a significant reduction in water consumption density over the medium and long term, while continuously benchmarking against industry best practices.

CF PHARMTECH's Water Consumption

indicator	Unit	2023	2024	2025
Total water consumption	10,000 t	8.7	4.16	5.25
Water consumption intensity	t/10,000 CNY revenue	1.56	0.68	1.21
Recycled Water Usage	t	8,131.00	7,387.00	7,393.00
Proportion of Recycled Water	%	9.35	17.75	14.08
Domestic Wastewater Volume	t	40,727.00	50,973.00	49,592.00

Emissions Management

CF PHARMTECH continuously strengthens emission governance and control, improves its regulatory systems and compliant disposal practices, and ensures controlled pollutant emissions and standardized waste management, delivering sustained improvements in environmental performance.

Wastewater Management

CF PharmTech strictly complies with the Water Law of the People's Republic of China and has formulated the Environmental Operation Control Procedureto standardize the full-process management of wastewater.Wastewater generated during the production process is recycled and utilized through a self-built sewage treatment plant, achieving zero discharge of production wastewater. Wastewater from office operations, indoor activities, and floor cleaning is pre-treated and then discharged to the sewage treatment plant for further processing, ensuring it meets discharge standards. Quality testing waste liquid is managed as hazardous waste and handed over to qualified units for recycling and disposal.During the reporting period, the company had no incidents of excessive wastewater discharge.

Case **Efficient Treatment, Recycling, and Reuse of Wastewater to Achieve Zero Production Wastewater Discharge**

CF PHARMTECH's wastewater treatment station adopts a full-process system covering pretreatment, biochemical degradation, advanced purification, and resource utilization. Production wastewater is collected in a centralized manner and then treated by air flotation process to remove suspended impurities and grease. After that, it is processed through hydrolysis acidification, anoxic treatment, and contact oxidation to decompose organic pollutants, followed by solid-liquid separation in the secondary sedimentation tank and preliminary purification via sand filtration. Subsequently, the water is further purified through ultrafiltration and nanofiltration. With the adoption of MVR evaporation technology, the system ensures standardized and compliant water quality. The treated reclaimed water fully meets the circulating make-up water requirements for cooling towers, enabling full recycling and reuse without external discharge. This process effectively reduces pollutant load and realizes the cyclic utilization of water resources.

CF PHARMTECH's Wastewater Treatment Station

Objective

In 2026, the Company's wastewater discharge intensity target is 1.5 tons per 10,000 RMB of revenue. The Company will continuously optimize its wastewater treatment processes and recycling systems, striving to achieve a year-on-year reduction in wastewater discharge intensity over the medium and long term, while consistently benchmarking against industry leaders..

CF PHARMTECH's Domestic Wastewater Pollutant Discharge Over the Past Three Yars

indicator	Unit	2023	2024	2025
BOD_5	t	0.9	0.8	0.1
COD	t	3.0	3.0	0.6
Total Nitrogen	t	0.3	0.3	0.1
Ammonia nitrogen	t	0.2	0.2	0.1
Total Phosphorus	t	0.03	0.03	0.01
Total wastewater discharge	t	40,727	50,973	49,592
Wastewater discharge intensity	t/ RMB 10,000 revenue	0.73	0.84	1.15

Waste Gas Management

CF PHARMTECH attaches great importance to the control of waste gas emissions and has established a compliance system centered on the Operating Procedures for Waste Gas Treatment Facilities, defining a governance structure with the EHS Department playing the lead role, thereby ensuring the implementation of full-process control. In response to the requirements of Suzhou City's Action Plan for Continuous Improvement of Air Quality, the Company dismantled its original boiler in 2023 and fully replaced the industrial heat sources with industrial steam, thereby reducing waste gas emissions from boiler combustion at source. For waste gases mainly generated during production, including non-methane total hydrocarbons, the Company adopts a two-stage activated carbon adsorption system for efficient treatment. In addition, it conducts routine waste gas monitoring in strict accordance with the annual monitoring plan to ensure that emission indicators consistently comply with national and local environmental standards.

Objective

In 2026, the Company's waste gas emission intensity target is 0.01 cubic meters per yuan of revenue. The Company will continue to upgrade its waste gas treatment facilities and apply cleaner production processes, striving to achieve a sustained reduction in waste gas emission intensity over the medium and long term, while continuously benchmarking against industry best practices.

CF PHARMTECH's Air Pollutant Emissions Over the Past Three Years

indicator	Unit	2023	2024	2025
Non-methane Total Hydrocarbon	t	0.057	0.0616	0.0905
Total waste gas emissions	10,000 m^3	3,115.80	3,384.00	3,121.20
Waste Gas Emission Intensity	m^3/CNY revenue	0.056	0.056	0.072

Waste Management

CF PHARMTECH attaches great importance to waste management. In accordance with the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, the Company has formulated internal management systems including the Waste Management, Solid Waste Management Control Procedure, and Contamination Control Strategy (CCS) Management Procedure. In addition, it continuously strengthens standardized waste management and compliant disposal, and improves and refines the full-process management system for solid wastes. The Company implements classified waste management, and standardizes classified collection, labeling, and disposal according to categories such as hazardous waste, medical waste, and non-hazardous waste (including general industrial solid waste and domestic waste).

In strict accordance with applicable laws and regulations, the Company entrusts qualified third-party organizations to carry out waste management. All cooperating partners are selected from the list of qualified entities filed with competent authorities. The Company reviews and verifies their qualifications, including hazardous waste operating licenses, and clearly defines environmental protection responsibilities and obligations in contracts.

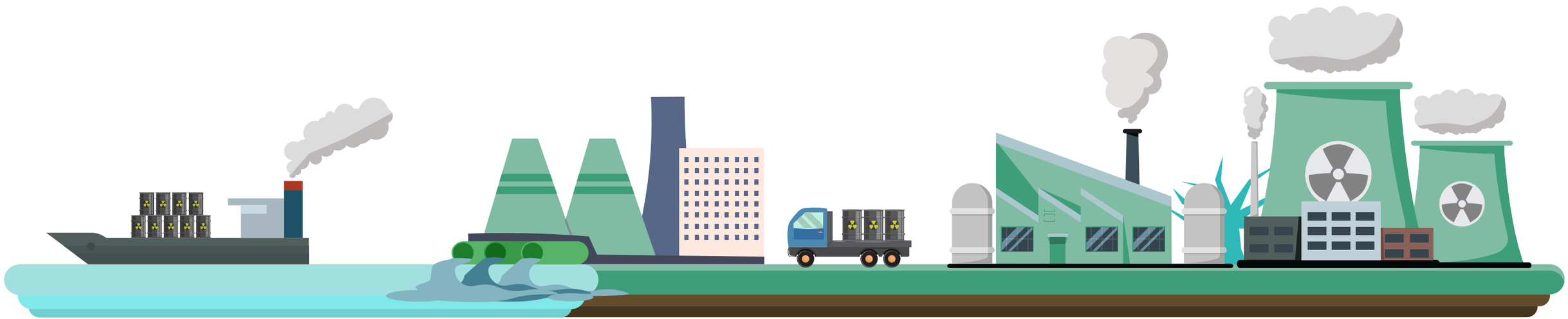
During the transfer of hazardous waste (including medical waste), the Company fills in the transfer information in the hazardous waste management system as required, specifying the receiving entity and the transportation provider. Upon system review, the Company uploads the transfer manifest information to the national management platform in a timely manner, enabling full-process traceability and supervision of hazardous waste transfer.

Objective

In 2026, the Company's hazardous waste generation intensity target is 0.2 tons per million RMB of revenue; the non-hazardous waste generation intensity target is 0.19 tons per million RMB of revenue. The Company will continue to optimize its production processes and waste management procedures, striving to achieve a year-on-year reduction in the generation intensity of hazardous and non-hazardous waste over the medium and long term, while continuously benchmarking against industry leaders.

CF PHARMTECH's Waste Generation Over the Past Three Years

indicator	Unit	2023	2024	2025
Hazardous wastes	t	50	74	70.4
Hazardous waste generation intensity	t/Million CNY revenue	0.09	0.12	0.16
Non-hazardous wastes	t	76	103	75.75
Non-hazardous waste generation intensity	t/Million CNY revenue	0.14	0.17	0.18



03

Quality Rooted, Ecosystem Co-Built

UN SDGs Addressed in This Chapter:

CF PHARMTECH, focusing on inhalation preparations, regards product quality as the corporate lifeline. Therefore, it continuously improves relevant measures in product responsibility, innovation-driven development, and supply chain management, consolidates physician-patient trust with quality, and overcomes technical barriers through R&D. In addition, the Company implements full lifecycle quality control from drug R&D and clinical trials to large-scale production, ensuring every patient with respiratory diseases receives safe and effective treatment and care.

Product and Service Safety and Quality

The Company overcomes the high technical barriers and adheres to the stringent safety standards of the inhalation preparation industry, integrates quality requirements into R&D, production, distribution and other stages, and has established a full lifecycle quality management system and a highly responsive customer service system. In addition, it delivers high-quality, accessible and affordable respiratory treatment solutions, safeguards patients' health with superior quality, and earnestly fulfills its responsibilities to patients, healthcare professionals, and society.

Product Quality Management

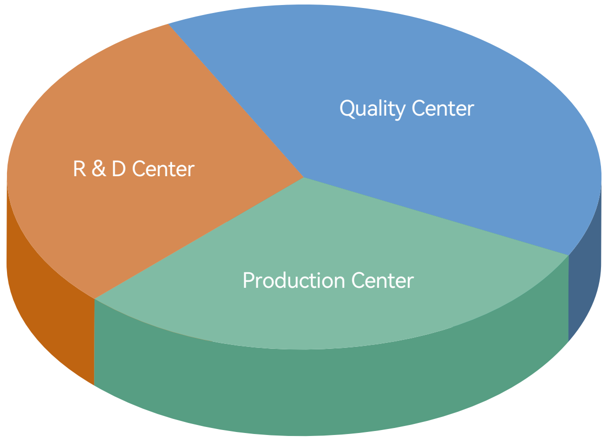
Strategy

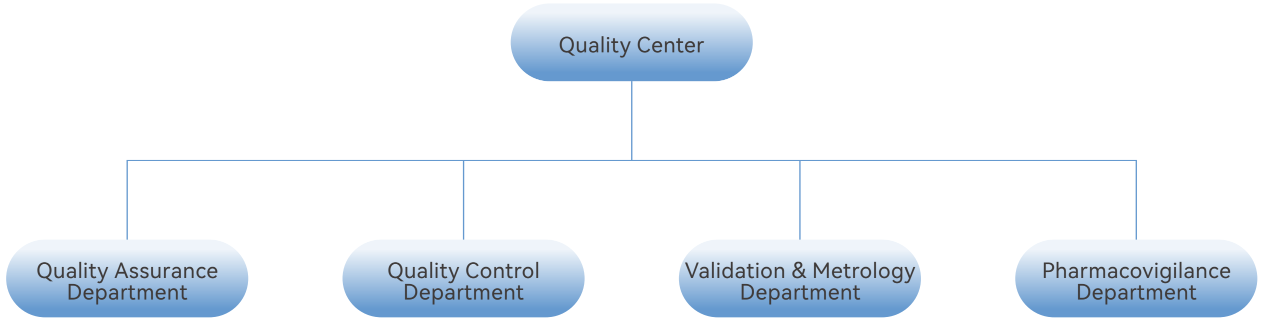
The Company always regards product quality as the lifeline of corporate development, takes improving the quality of human life and the level of human health as its mission, and aims to develop high-quality respiratory drugs. In addition, it is committed to researching, manufacturing, and marketing a full range of safe, effective and affordable inhalation preparations for the public. Guided by the world's highest quality standards, the Company achieves international benchmarking and global mutual recognition of product quality standards. By establishing a product lifecycle quality management system, it continuously supplies safe, effective and high-quality inhalation preparations, and contributes China's innovative strengths to improving patients' quality of life.

Governance

Governance Structure

To achieve high-quality product management objectives, the Company has established a product quality governance structure with clearly defined authorities and responsibilities and efficient coordination, built a full-process quality management system covering R&D, production and distribution, and formed an organizational structure centered on the Quality Center, with the Production Center and R&D Center fulfilling their respective coordinating roles. The Quality Center comprises the Quality Assurance Department, Quality Control Department, Validation & Metrology Department, and Pharmacovigilance Department. Through hierarchical collaboration across the organizational structure, the Company integrates quality management into the full lifecycle of its products, from design and R&D to post-market surveillance, laying a solid organizational foundation for the consistent delivery of safe, effective, high-quality inhalation preparations.





Product Quality Management Organizational Structure

Systems

The Company strictly complies with laws and regulations, including the Drug Administration Law of the People's Republic of China, the Regulations for the Implementation of the Drug Administration Law of the People's Republic of China, the Measures for the Supervision and Administration of Drug Production, and the Good Manufacturing Practice for Drugs (GMP). In addition, it proactively benchmarks against international authoritative standards such as those issued by the U.S. FDA and EMA, ensuring that its quality management system not only meets domestic compliance requirements, but also is fully capable of passing EU QP audit and FDA on-site inspection. To ensure consistent and stable quality output, the Company has established an internal control documentation system higher than industry standards, covering key documents such as Quality Standard Management, Quality Risk Management, Plant Quality Standard Management, On-Site Quality Monitoring Management Procedures, Quality Risk Management Procedures for Shared Facility Production, and Product Quality Review. In addition, it achieves full lifecycle quality risk control from R&D to post-market surveillance through standardized systems. Leveraging its high-standard quality compliance system, the Company not only consolidates its presence in the Chinese market, but also addresses the differentiated regulatory requirements of mainstream regulatory authorities including the FDA and EMA, as well as emerging markets across Southeast Asia, South America and the Middle East. In addition, it dynamically updates internal procedures, and support its global strategy with robust compliance and quality control capabilities.

As of the end of the reporting period, the Company's quality management system complies with the GB/T 19001-2016 and ISO 9001:2015 standards, and has passed authoritative assessments including EU QP audit, with its relevant products having earned recognition in both domestic and overseas markets.

The Company's Quality Management System Certificate

Domestic GMP	The company has obtained 3 GMP certifications in China.
International Certifications	Obtained 2 EU Qualified Person (QP) audits and 3 international GMP certifications.

Quality Certifications

Case **CF PHARMTECH Successfully Passed EU QP Audit, with Its Quality Management System Gaining International Recognition**

In February 2025, the Company's inhalation preparation manufacturing base in Suzhou successfully passed the EU Qualified Person (QP) audit and obtained a compliance audit report issued by the QP. This signifies that CF PHARMTECH's quality management system and manufacturing capabilities have met EU GMP standards, laying a solid foundation for the Company's further expansion into global markets.

Case **CF PHARMTECH Successfully Passed Overseas GMP On-Site Inspection**

In February 2025, CF PHARMTECH received approval documents from the overseas regulatory authority and successfully passed the overseas GMP on-site inspection. Successfully passing the on-site audit conducted by the overseas regulatory authority signifies that the Company's production and quality management have gained recognition from authoritative international bodies, providing a solid foundation for the Company's future expansion in global markets.

Case **CF PHARMTECH Obtained GMP Certifications from Middle Eastern Countries, with Its Quality Management System Granted Further Recognition**

In March 2025, the China-based production facilities for CF PHARMTECH's core product CF017 successfully obtained GMP certifications from Middle Eastern authorities, laying a critical quality and compliance foundation for the Company's entry into the Middle East market. Subsequently, the Company rapidly advanced its regional commercialization layout and achieved the successful delivery of its first overseas purchase order in May of the same year, signifying the official entry of CF PHARMTECH's products into the Middle Eastern market and the transition of its internationalization strategy from "product approval" to "commercial sales".

Impact, Risk, and Opportunity Management

Leveraging its business characteristics, the Company has established a systematic product quality risk identification mechanism, comprehensively reviewing potential quality hazards and risks in procurement, R&D, production, distribution and other stages. In addition, it has formulated targeted comprehensive risk response measures, a "2+2" quality management system, a full life-cycle quality management system, and a pharmacovigilance management system.

Product Quality Risks

Risk Category	Risk Scenarios/ Opportunities	Risk Impacts	Time Horizon	Severity	Response Measures
Production Quality Risks	Risks: Quality issues during production, such as inaccurate dosage from drug delivery devices and oxidative degradation of components; Opportunities: The relentless pursuit of production quality serves as the Company's passport to the global markets.	May result in patients failing to receive an effective dose, triggering customer complaints, regulatory penalties, and severe damage to the Company's brand reputation	Short-Term	Medium	Continuously improve the product management system, establish a product lifecycle quality management system, and ensure quality stability
Supply Chain Quality Collaborative Risks	Risks: Substandard raw material quality, which may adversely affect product development and manufacturing; Opportunities: Facilitating the Company's global product layout through collaborative supply chain quality management	Stagnant R&D and production, which may adversely affect product progress	Short-Term	Medium	Strengthen procurement quality management and intensify supplier management

"2+2" Quality Management System

The Company has established a "2+2" quality management system, with R&D and manufacturing as its two core pillars. The first "2" means oversight of R&D activities and production processes, ensuring that products comply with the highest quality and regulatory compliance standards. The second "2" means the Company ensures inhaled products not only comply with regulatory requirements in both China and overseas markets, but also meet global patients' demand for safe, effective, high-quality inhalation preparations. The Company strictly adheres to the Pharmaceutical Quality System (Q10) model established by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), comprehensively embedding the four core elements of ICH Q10 including process performance and product quality monitoring, corrective action, change management, and management review into its "2+2" framework. Through Annual Product Reviews (APR) and quality risk assessments, the Company continuously drives process optimization and system upgrades, fostering an excellent quality ecosystem covering the product lifecycle.

"2+2" Quality Management System

Full Lifecycle Quality Management

The Company benchmarks its practices against leading international quality management requirements and standards. Based on the ICH Q10 model, it has established a quality management system covering the entire product lifecycle, from procurement, product R&D and clinical trials to manufacturing quality control, finished product testing, and post-marketing traceability, continuously enhancing its product quality management capabilities.

Product Lifecycle Quality Management

Stages	Specific Content
Procurement	● The Company has established procurement management procedures to ensure the quality of purchased raw materials ● For raw material suppliers, the Company evaluates suppliers and alternative suppliers, and conducts quality assessments and inspections on every batch of raw materials received to control quality at source ● In case of any issues with raw material supply, the Company will notify the supplier and request it to take corrective and preventive actions, or replace the raw materials when necessary ● If a supplier's raw materials fail to meet quality standards, the Company will disqualify such supplier and refuse to purchase any raw materials from it

Product Lifecycle Quality Management

Stages	Specific Content
Product R&D	● The Company has established processes covering R&D laboratory management, reference listed drug management, R&D management review and others, ensuring that Critical Process Parameters (CPP) and Critical Quality Attributes (CQAs) are controlled at source
clinical investigation	● The Company conducts due diligence on CRO to ensure it complies with the regulatory requirements for clinical trial operations ● The Company conducts on-site inspections on the clinical trial centers recommended by CRO to assess whether they comply with applicable laws and regulations. Only qualified clinical trial centers will be selected
Production Quality	● On the production side, the Company strictly adheres to ICH Q10 (Pharmaceutical Quality System) and has established a unified quality manual covering continuous monitoring of process performance and product quality, closed-loop management of Corrective and Preventive Actions (CAPA), change control and others ● In terms of process control, the Company monitors key process parameters such as micronization and filling to ensure that the production process remains under control at all times ● In terms of environmental monitoring, the Company monitors the clean area environment in real time to ensure compliance with sterile drug production requirements ● In terms of validation management, the Company conducts validation and revalidation of facilities, production equipment, analytical instruments, and production processes to ensure stable equipment operation and the supply of compliant quality products
Finished product inspection	● The Company strictly tests and inspects finished products to ensure they meet the Company's quality standards and comply with regulatory requirements ● Utilizing analytical technologies, the Company evaluates critical quality attributes of inhalation products, including particle size distribution, spray droplet distribution, aerodynamic characteristics, delivered dose uniformity, and spray pattern and shape, to ensure the products meet quality standards
Post-Market Traceability	● For marketed products, the Company has established a comprehensive pharmacovigilance system and adverse reaction monitoring mechanism. In addition, it continuously collects, analyzes, evaluates, and reports post-marketing safety data to promptly identify and manage potential risks, thereby effectively safeguarding patients' medication safety ● The Company has established a drug traceability system featuring "one item, one code", covering the entire pharmaceutical distribution process from production coding to patient scanning, thereby enabling precise identification of risk points and rapid control of hazards

Pharmacovigilance

The Company always prioritizes patient health and safety, strictly complies with regulatory requirements including the Measures for the Administration of Adverse Drug Reaction Reporting and Monitoring, the Guiding Principles for Pharmacovigilance Inspection, and the Good Pharmacovigilance Practices, and has established a pharmacovigilance system covering the entire drug lifecycle to proactively monitor, identify, assess, and control adverse reaction risks.

Systems

The Company has internally established systems such as Pharmacovigilance System Quality Management, Pharmacovigilance Master File Management, Pharmacovigilance Training Management, and Pharmacovigilance Audit Management, realizing standardization and normalization.

Governance Structure

Under the Quality Center, a Pharmacovigilance Department is established, which is specifically responsible for system operation, continuous improvement, and adverse drug reaction monitoring and reporting.

Information Feedback Channels

The Company has established multiple feedback channels including a 400 service hotline, official website, and public email, and commits to replying within 15 working days to ensure smooth communication with patients, hospitals and others.

Handling Process

Upon receiving adverse reaction information, the Company strictly follows standard operating procedures for information collection, evaluation, storage and protection, with professionals conducting drug safety testing and verification. Based on the evaluation results, the Company submits reports to relevant authorities in accordance with the law, and promptly takes responsive measures to address patient needs, achieving continuous monitoring and closed-loop control of product safety.

Pharmacovigilance Handling Process

Privacy Protection

The Company has formulated the CF PHARMTECH Pharmacovigilance Privacy Policy and implemented strict protective measures for pharmacovigilance information to effectively safeguard the security of patients' personal information.

Continuous Improvement

During the reporting period, the Company did not receive feedback on cluster adverse drug reaction events. The Company's pharmacovigilance system operates stably, and the Company will continue to optimize it to further enhance its risk control capabilities.

Quality Culture Development

The Company upholds the principle of "Quality First" and continuously strengthens its quality culture. In compliance with applicable quality management-related laws, regulations, regulatory requirements, and internal policy documents, the Company actively carried out quality-themed activities and training programs. Through the annual special "CF PHARMTECH Quality Month" campaign, the Company enhances employees' quality awareness, advances the development of its quality management system, and promotes the continuous improvement of its quality system.

Case The Company's 4th Quality Month Campaign (Make Quality Your Habit)

In 2025, the Company held its 4th Quality Month Campaign, themed "Make Quality Your Habit." The campaign featured a range of activities, including an opening ceremony with online check-in, a "Brilliant Ideas" collection activity, a GMP "Fault-Finding" game, a photo contest titled "Stories Behind Quality", and a GMP knowledge competition. These activities attracted active participation from employees across the Company. Through interactive engagement, the campaign embedded the "Quality First" philosophy into daily routines and effectively enhanced the quality awareness of all staff.

Campaign Launch & Declaration

GMP Fault-Finding Game

GMP Knowledge Competition

Indicators and Targets

Key Performance

Indicator	Unit	2023	2024	2025
Product First-Pass Yield	%	100	100	100
Major Safety Incident	Incident(s)	0	0	0

Customer Service

Strategy

With the goal of establishing an efficient and compliant omnichannel customer service system, the Company focuses on three dimensions, including product delivery, support for physicians and patients, and whole-process care, to ensure precise product reach, guide the proper use of inhalation preparations, and safeguard patients' medication safety. Looking ahead, with the Company's globalization process, we will continuously expand our service scope, striving to realize the strategic vision of "enabling global respiratory patients to access high-quality products and services".

Delivery of Products	Leveraging a national distributor network and its reliable supply guarantee system, the Company ensures the safe and efficient delivery of products to downstream customers including distributors and medical institutions
Assisting Healthcare Professionals and Patients	Through professional academic support and marketing services, the Company assists healthcare professionals and patients in the proper use of inhalation preparations, thereby improving the standardization of product use
Whole-Process Care	The Company has established a comprehensive mechanism covering customer complaints and product recall procedures, enabling it to gather patient feedback and safeguard medication safety throughout the process

Customer Service Strategy

Governance

In accordance with laws and regulations such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Drug Administration Law of the People's Republic of China, the Measures for the Supervision and Administration of Drug Operation and Use Quality, and the Good Supply Practice for Pharmaceutical Products (GSP), the Company has formulated internal management systems including Product Return Management, Complaint Management, Recall Management, and Product Rework Handling Procedures, to standardize the customer feedback mechanism and handling processes, ensure the standardized operation of customer service, and provide institutional support for customer service activities.

The Company has established an efficient and collaborative customer service governance structure, with the Quality Center taking overall responsibility and various business units fulfilling their respective coordinating roles. Together, they resolve customer service issues efficiently, listen attentively to patients' demands, and are committed to providing all-round high-quality services to customers.

Impact, Risk, and Opportunity Management

Customer service quality is a key factor in the Company's sustainable development, and its risk management is directly related to customer trust and brand building. The Company attaches great importance to the management of risks and opportunities related to customer service. By accurately identifying risks, scientifically assessing impacts, and formulating effective response measures, it has established an efficient customer complaint management system and product recall mechanism. In addition, it regularly conducts simulated product recall drills, and enhances its capability to resolve customer service issues, thereby providing customers with professional, efficient, and responsive service support.

Customer Service Risks

Risk Category	Risk Scenarios/ Opportunities	Risk Impacts	Time Horizon	Severity	Response Measures
Quality Risks	Risks: Customer complaints arising from product quality issues; Opportunities: Earned trust from patients through high-quality products, driving sustained growth in the Company's market share	Damage to the Company's brand reputation, which may adversely affect customers' long-term willingness to cooperate	Short-Term	Medium	Establish a customer complaint management and product recall mechanism to promptly address customer needs and implement corrective actions
Service Efficiency Risks	Risks: Room for improvement in the timeliness of service and complaint handling; Opportunities: Continuously improved customer satisfaction, and strengthened customer loyalty to the Company	Adverse impact on customer service experience and decline in satisfaction	Short-Term	Medium	Continuously improve service response and delivery efficiency

Customer Complaint Management

In strict accordance with laws and regulations such as Good Manufacturing Practice for Drugs (GMP) and the Good Pharmacovigilance Practices, the Company has established a customer complaint management system centered on the Quality Center, with the Quality Assurance Department, Pharmacovigilance Department, Production Center and other departments jointly responsible for handling customer complaints.

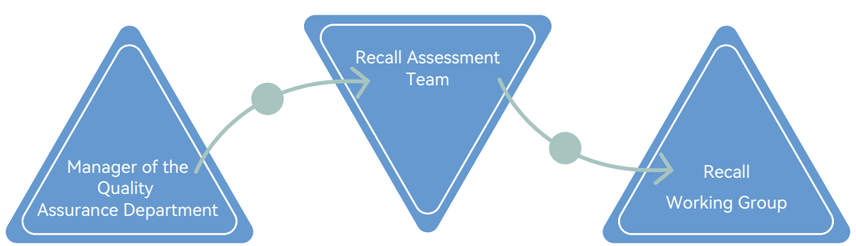
The Company has established a closed-loop complaint handling mechanism consisting of "receipt and registration – classification and assessment – investigation and analysis – feedback and communication – archiving and improvement". This ensures that every customer complaint is handled promptly and in a standardized manner, while continuously feeding back into quality system improvement.

Customer Complaint Handling Process

Process Stages	Core Content	Responsible Department
Receipt and Registration	Receive complaints through multiple channels such as telephone, email, and distributors; record complainant information, product information (batch), complaint details, and date of occurrence to ensure information is complete and accurate.	Customer Service Department
Classification and Assessment	Classify complaints (e.g., quality defects, packaging damage, adverse reactions), assess their urgency and impact scope, and identify the leading investigation department.	Quality Center
Investigation and Analysis	Trace the production records, inspection data, and retained samples of the involved batch; conduct root cause analysis jointly with production, R&D, and other departments when necessary; if an issue is identified, initiate CAPA.	Production Center, R&D Center, Quality Center
Feedback and Communication	Communicate investigation findings and resolution measures to the complainant within the specified time limit; where returns, exchanges or compensation are involved, the Quality Center shall coordinate and handle such matters.	Customer Service Department
Archiving and Improvement	Archive the complete handling records; regularly perform statistical analysis of complaint data to identify potential risks, and feed lessons learned into the annual quality review and continuous improvement plan.	Quality Center

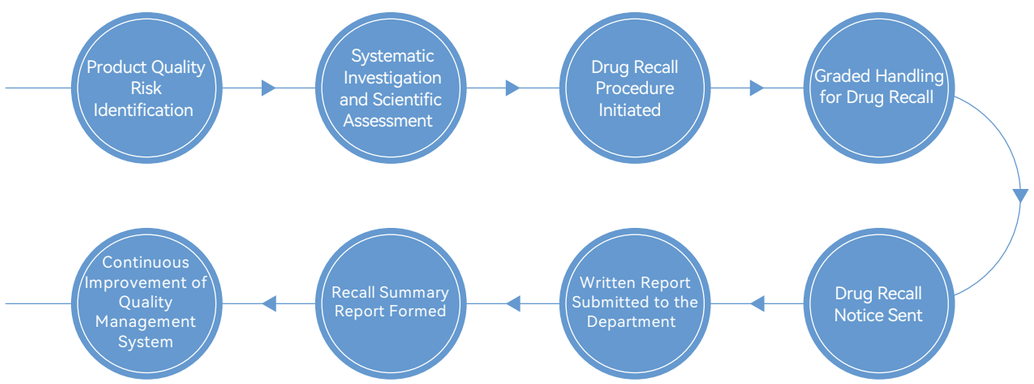
Product Recall Management

In accordance with applicable laws, regulations and internal documents, the Company has established a product recall management process specifying the detailed procedures for drug recall and the responsibilities of various departments, and has improved its recall management process and tiered handling mechanism. The Company designates the Manager of the Quality Assurance Department as the person responsible for product recalls, who is fully responsible for the organization and coordination of recall activities. When product quality risks are identified, the Quality Assurance Department shall take the lead in establishing a recall assessment team to conduct systematic investigations and scientific assessments of such risks, determine the risk level based on the severity of drug safety hazards, and make a clear decision on whether to initiate a recall. The Company classifies drug recalls into Level I, Level II and Level III, with corresponding recall timeframes stipulated for each level.



Product Recall Organizational Structure

Once a recall decision has been made, the recall working group shall coordinate the execution of the product recall. The recall working group shall immediately send a "Drug Recall Notice" to the involved distributors and users, requiring the immediate cessation of sales and use. Meanwhile, the recall working group shall release recall information to the public through the corporate website or pharmaceutical industry media, and submit a written report to the local drug administration, ensuring that information is communicated in a comprehensive, timely, and accurate manner. During the execution of a product recall, the recall working group is responsible for ensuring the prompt isolation and controlled storage of the involved drugs to prevent mix-ups or misuse. After the recall is completed, the recall working group shall conduct a systematic evaluation of the quantity of drugs sold, the actual quantity recalled, and recall effectiveness, analyze weaknesses in the quality system identified during the recall, prepare a formal recall summary report, and incorporate relevant improvement measures into the quality system's continuous improvement plan.



Product Recall Process

The Company regularly conducts simulated recall drills to evaluate the effectiveness of recall procedures and ensure the integrity and reliability of the recall system. In 2025, the Company did not experience any product recall incidents.

Case **The Company Organized a Full-process Simulated Product Recall Drill**

In 2025, the Company organized a full-process simulated product recall drill. Prior to this drill, the Quality Assurance (QA) Department developed the 2025 Simulated Recall Plan, and the entire simulated recall process was carried out in strict accordance with the plan.

During this drill, according to the recall management procedure, the Quality Center promptly established a recall assessment team, determined the recall procedure based on the risk level, formulated a recall plan, initiated a proactive recall, precisely identified the product distribution flow, and sent "Simulated Recall Batch Information" notifications to all involved distributors on the same day. Distributors provided information feedback on the same day, reporting the receipt, distribution, and inventory quantities of the involved batch of products. The recall working group sorted out and analyzed the feedback information from distributors. Upon verification, the sales quantities reported by each distributor were completely consistent with those recorded in the Company's system.

This simulated recall was successfully completed within the stipulated time, verifying the operability and reliability of the drug recall process. The Company is capable of recovering and controlling the drugs at risk in a timely manner, thereby fully safeguarding public health and medication safety.

Indicators and Targets

Indicator	Unit	2023	2024	2025
Number of Customer Complaints	Time(s)	3	4	17
Customer Complaint Response Rate	%	100	100	100
Product recall events	incidents	0	0	0

Responsible Marketing

Strategy

Pharmaceutical marketing is not just a commercial act, but a public responsibility concerning patients' lives and health. The Company has established a responsible marketing management system, with compliance as its bottom line, academic promotion as its core, and social responsibility as its extended commitment. As a pharmaceutical company focused on inhalation preparations, CF PHARMTECH integrates responsible marketing into every aspect of channel management, academic promotion, risk control, and social responsibility, creating sustainable health value for patients, healthcare professionals, and society.

Responsible Marketing Strategy

Governance

The Company attaches great importance to responsible marketing and strictly complies with applicable laws and regulations, including the Advertising Law of the People's Republic of China, the Drug Administration Law of the People's Republic of China, the Measures for the Examination of Drug Advertisements, and the Provisions for Drug Insert Sheets and Labels.

The department responsible for the Company's sales promotion activities is the Marketing Center. The marketing team members primarily consist of individuals with professional backgrounds in multinational or large domestic pharmaceutical companies and extensive market promotion experience in the fields of inhalation preparations and respiratory medications. Based on compliance management requirements, the Company implements responsible marketing management and has established polices such as the Drug Sales Quality Management Procedure to regulate and standardize the marketing conduct of its employees, ensuring that all marketing activities are legal and compliant. The Company strictly reviews public product and business information, and prohibits any use of false and misleading product descriptions, ensuring accurate, complete, truthful, and rigorous product and academic information is communicated to healthcare professionals and the public.

Impact, Risk, and Opportunity Management

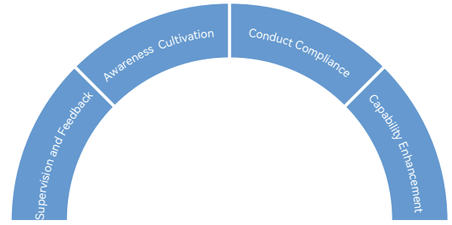
Responsible marketing is not only a bottom-line requirement for corporate compliance, but also a strategic pivot for shaping brand value and fostering sustainable competitiveness. Leveraging the current marketing model, the Company comprehensively identifies potential risk categories, scenarios, and impacts arising in the product marketing process, and develops targeted and robust risk response measures. In addition, it continuously improves its responsible marketing management system, advances product knowledge and compliant scripts learning, strengthens responsible marketing training, enhances the compliance awareness of all marketing staff, and embeds the "responsibility" philosophy into daily work, laying a solid foundation for the Company's sustainable development.

Responsible Marketing Risks

Risk Category	Risk Scenarios/ Opportunities	Risk Impacts	Time Horizon	Severity	Response Measures
Compliance Risks	Risks: Non-compliant conduct by sales personnel to achieve performance targets; Opportunities: Increased brand value, and enhanced compliance culture awareness across the team	Legal risks to the Company arising from individual non-compliance; team culture deterioration; loss of talented employees	Short-Term	Medium	Continuously advance the responsible marketing management system; strengthen internal marketing training to enhance sales personnel's compliance awareness

Responsible Marketing Management System

In daily marketing activities, promotion managers and sales personnel are at the forefront of business operations, directly engaging with clinicians, distributors, and patients. Whether their conduct is compliant directly impacts the Company's reputation and sustainable development. For this specific group of employees, the Company has designed a systematic, scenario-based empowerment program covering the full chain of "Awareness Cultivation — Capability Enhancement — Conduct Compliance — Supervision and Feedback". Through various forms such as regulatory interpretation, product knowledge learning, compliant scripts training, and enhanced education, the Company translates abstract compliance requirements into concrete, understandable, learnable and actionable conduct guidelines for frontline staff, facilitating the shift of compliance awareness from "knowing" to "doing", and ensuring that the highest standards of compliance are upheld in every business interaction, including departmental meetings and customer communications.



Responsible Marketing Management System

Product Knowledge and Compliant Scripts Learning System

In the field of pharmaceutical marketing, the accuracy and compliance of communicated product information are directly related to patients' medication safety and corporate sustainability. The Company has established a mandatory "Product Knowledge and Compliant Scripts" learning system for promotion managers and all sales personnel. The learning of product knowledge shall be based on package inserts, clinical research data, authoritative domestic and overseas diagnosis and treatment guidelines and others, to ensure that the information communicated to healthcare professionals is accurate, complete, and evidence-based. The training on compliant scripts ensures that all information is communicated within the regulatory framework, with no exaggeration, misrepresentation, concealment or overstepping of boundaries. Differentiated key points for information communication are developed based on the characteristics of different products and their target populations. For products requiring academic promotion, the Company has developed Key Points for Information Communication and clarified the information list. These documents deeply integrate scientifically rigorous product knowledge with compliance requirements. Through systematic learning, assessment, and practice, product knowledge and compliance requirements are internalized as professional competence among frontline staff and translated into conscious conduct in daily communication, ensuring that the highest standards of professionalism are upheld in every customer interaction.

In 2025, the pass rate for training among the Company's promotion managers and sales personnel reached 100%.Those who failed to pass were suspended from promotion activities until they passed the make-up examination. The electronic coverage rate of the Key Points for Information Communication also reached 100%.

Case **The Company Developed the Key Points for Information Communication**

In 2025, for products requiring academic promotion, the Company developed Key Points for Information Communication and clarified the information list. All information is strictly grounded in package inserts, registered and approved clinical research data, and authoritative domestic and overseas diagnosis and treatment guidelines, ensuring that the product information is communicated in a scientifically rigorous, accurate, and compliant manner.

Promotional Image for the Company's Product

Responsible Marketing Training

The Company's promotion managers and frontline sales personnel directly bear the critical responsibility of communicating scientific information to healthcare professionals, and serve as a key line of defense against compliance risks. Therefore, targeting the daily core work scenario of promotion managers and sales personnel, the Company has developed a series of immersive scenario-based compliance training sessions for departmental meetings. Through simulating real-life departmental meeting scenario, these sessions incorporate high-frequency risk situations such as "Response to Off-Label Discussions", "Compliance Boundaries for Fee Support", and "Standardized Expressions for Competitor Comparisons". Promotion managers and sales personnel are required to conduct role-playing exercises, with on-site comments and correction provided by compliance experts and senior business managers.

The core value of immersive scenario-based training lies in translating compliance provisions into real-life business challenges. In simulated departmental meeting scenario, trainees are required to make compliant and professional responses under pressure, thereby achieving deep integration of compliance requirements with business practice. Through repeated drills and immediate feedback, trainees gradually develop a "compliance instinct", enabling them to subconsciously avoid risks and standardize expressions in real-life departmental meetings, substantially enhancing their compliance awareness and response capabilities.

In 2025, the Company conducted 24 specialized scenario-based training sessions in total and achieved a rotational training coverage rate of 100% for promotion managers and sales personnel in core markets. The pass rate of post-training scenario-based test increased from initial 78% to final 96%. In subsequent compliance activity monitoring, the Company's marketing personnel have demonstrated significantly enhanced independent risk identification capabilities, and inquiries regarding content compliance in departmental meetings have decreased by 30% month-on-month.

Looking ahead, the Company will continue to enhance its scenario-based training system, strengthen the professional competence and compliance capabilities of marketing personnel, and build a benchmark team in compliant marketing.

Indicators and Targets

Indicator	Unit	2023	2024	2025
Responsible Marketing Training Coverage Rate	%	100	100	100
Marketing Materials Compliance Review Pass Rate	%	100	100	100
Marketing Compliance Incident	Incident(s)	0	0	0

Case **The Company Conducted Targeted "Department Meeting Compliance Scenario Drills" Training**

In 2025, targeting the daily core work scenario for promotion managers and sales personnel — "Department Meeting Presentations" , the Company developed a series of immersive scenario-based training sessions in collaboration with the Product Team, Medical Team, and other departments.

Affordable and Accessible Healthcare

The Company has established a multidimensional practice system for affordable and accessible healthcare, and formulated a strategy centered on expanding therapeutic areas, providing rhinitis products for all ages, alleviating the burden on patients, expanding channel coverage, and caring for patients' health, systematically enhancing the drug accessibility and affordability for patients.

Expansion of Therapeutic Areas

Respiratory diseases remain a major focus in global public health. Currently, more than 650 million children and adults worldwide suffer from chronic respiratory diseases, with approximately 4.4 million deaths annually, the majority of which are caused by COPD and asthma. Driven by factors such as air pollution, smoking, and population aging, the prevalence of respiratory diseases—including asthma, COPD, and allergic rhinitis—continues to rise, resulting in a vast global market for respiratory therapeutics.

The Company has long been deeply engaged in the field of respiratory disease treatment, building a complex preparation R&D platform encompassing particle engineering, device design, product performance evaluation, clinical development, and process engineering. This platform supports the treatment of asthma, COPD, and allergic rhinitis, providing a solid technological foundation for future innovation. The Company has already achieved multiple product approvals and large-scale commercialization.

In recent years, the Company has further upgraded its strategy toward innovation. Leveraging its increasingly mature multi-dosage inhalation platform, it has expanded its R&D focus into areas such as refractory diseases and medical devices. By continuously enhancing its iterative innovation capabilities, the Company is expanding the boundaries of disease treatment and striving to open new pathways toward improved outcomes for more patients.

The Company's Current Therapeutic Areas	Future Expansion of Therapeutic Areas
Respiratory Disease Areas: Asthma, COPD, and Allergic Rhinitis	New Therapeutic Areas: Central Nervous System (CNS) Diseases, Anti-infective Drugs, etc.
	Refractory Disease Areas: Idiopathic Pulmonary Fibrosis (IPF) and Pulmonary Arterial Hypertension (PAH)
	Medical Device Sectors: Development of innovative medical devices, such as endobronchial interventional therapy

Providing Rhinitis Products for All Ages

The suitability requirements for inhalation preparations vary significantly among patients of different age groups, with pediatric medication remaining a persistent accessibility concern. In recent years, the prevalence of allergic rhinitis among children in China has continued to rise. However, inhalation preparations specifically indicated for young children remain limited in varieties, highly dependent on imports, and relatively expensive, imposing a treatment burden on many affected families.

With a deep insight into this clinical and livelihood pain point, the Company has performed a systematic layout in therapeutic areas. It has built a product matrix covering patients of all age groups, and is committed to narrowing the equity gap in pediatric respiratory disease treatment. The Company has been developing dosage forms and delivery devices tailored to pediatric patients to alleviate the burden on families and society. This enables patients from preschool children to the elderly to access treatment options suitable for their own needs. By continuously expanding its product portfolio, the Company is taking concrete actions to enhance drug accessibility for patients, helping to mitigate the real-world difficulties of unmet demands, limited drug options, and high medication costs.

The Company's Product Layout in the Rhinitis Treatment Area

Product Name	Time Horizon	Specific Content
Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray	Approved for marketing in November 2022	As the first antihistamine-steroid compound nasal spray in China, it is indicated for patients aged 12 and above with moderate to severe allergic rhinitis
Mometasone Furoate Nasal Spray	Marketing application submitted in August 2025	This product is indicated for adults, adolescents, and children aged 3 and above with seasonal or perennial allergic rhinitis
Budesonide Nasal Spray	Acceptance of marketing authorization application obtained in January 2026	This product is indicated for patients aged 6 and above. Its nasal spray preparations can address multiple clinical needs, including seasonal acute episodes, perennial maintenance therapy, and the treatment of nasal polyps
Olopatadine Hydrochloride and Mometasone Furoate Monohydrate Nasal Spray	Approved for clinical trials in March 2026	This product is indicated for adults and adolescents aged 12 and above with moderate to severe allergic rhinitis symptoms

Alleviating the Burden on Patients

By seizing policy opportunities including adjustments to the National Reimbursement Drug List and national centralized volume-based procurement, the Company actively participates in NRDL access negotiations, supports the development of the national medical insurance system, quickly introduces high-quality products to medical institutions across the country, endeavors to lower patients' medication costs and financial burden, and enables patients to access high-quality treatment options at more affordable prices.

The Company's NRDL Access and Paricipation in National Centralized Volume-basedProcurement

Product Name	Specific Content
Chang Qi® Budesonide Suspension for Inhalation	After being approved for marketing in May 2021, it was selected for the fifth batch of national centralized volume-based procurement within just one month, making it one of the first domestic inhalation preparation brands included in the national centralized volume-based procurement program
	In 2025, the Company's CF017 successfully won the bid in the renewal round of centralized volume-based procurement under the "Jiangsu Alliance" (including Jiangsu and ten other provinces)
	In 2026, the Company successfully completed the national volume-based procurement renewal, and expanded its coverage to over 10,000 medical institutions nationwide. The procurement period will last until the end of 2028.
Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray	The product was included in the National Reimbursement Drug List in 2023, with the reimbursement price set at RMB 89.6 per bottle. The average daily treatment cost of the compound nasal spray is significantly lower than that of combined rhinitis medications

Expanding Channel Coverage

Global Market Layout

Upholding the corporate mission of "Focusing on Respiration, Caring for Life", the Company is accelerating innovative R&D and global market expansion, and is committed to enabling patients in more countries and regions to benefit from Chinese pharmaceuticals. The Company has established clear market development objectives. With a global perspective, it continuously expands its international presence through close cooperation with international partners, while accelerating product R&D and localized promotion in markets such as the United States, European Union, Middle East, South America, and Southeast Asia.

Domestic and Overseas Markets

Bridging the "Last Mile": Deepening Presence in Primary Care Markets

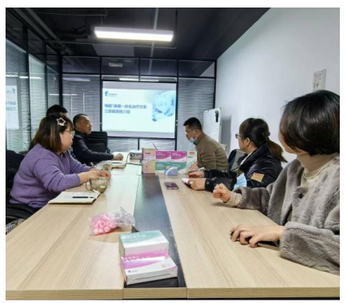
Ensuring that drugs reach every patient in a safe, timely, and affordable manner is a core manifestation of the Company's commitment to social responsibility. In the domestic market, the Company actively advances the development of lower-tier market channels, and systematically implements the "Bridging the Last Mile" strategy by allocating resources to primary medical facilities such as county-level medical institutions, community health service centers, and township hospitals. The Company has deployed dedicated academic promotion personnel internally to empower primary medical facilities, providing terminal solution support and services to ensure that drugs are used appropriately and are widely accessible at the primary care level.

Coverage Achievements

The Company extends its products, including Chang Qi® Budesonide Suspension for Inhalation, Shu Fei Min® Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray, Chang Shu® Salbutamol Sulfate Solution for Inhalation, and Chang Lin® Terbutaline Sulfate Nebuliser Solution, to primary care terminals. As of the end of 2025, the Company's products had expanded their coverage to an additional 1,000 primary medical terminals and over 500 small and medium-sized chain and independent pharmacies. The Company's products are now available in domestic leading chain pharmacies, including Yifeng Pharmacy, LBX Pharmacy, and JZJ Pharmacy.

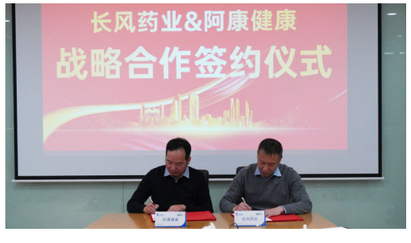
Case The Company's "Bridging the Last Mile" Strategy Achieves Significant Results

Through multidimensional channel expansion and terminal coverage in lower-tier markets, the Company ensures that high-quality inhalation preparations truly reach patients at the grassroots level, achieving a substantive extension of drug accessibility from "central cities" to "grassroots county-level areas". The Company's primary care promotion team actively assists clinic healthcare professionals in mastering standardized medication practices, ensuring patients "take the right medication and use it appropriately".



Case CF PHARMTECH Signed A Strategic Cooperation Agreement with AKang Health to Jointly Enhance Drug Accessibility for Patients

On February 10, 2025, CF PHARMTECH signed a strategic cooperation agreement with Akang Health to carry out in-depth cooperation across three major areas including product deployment, channel complementarity, and integrated innovation. Both parties will jointly establish an omnichannel marketing and service system for CF PHARMTECH's out-of-hospital market, covering E-commerce TP+DP, grassroots medical market expansion, private domain patient management and other aspects, to achieve online and offline full-channel coverage, ensure the extensive reach of CF PHARMTECH's products to target patient population, and enhance the drug accessibility for patients.



Case The Company Signed A Strategic Cooperation Agreement with Jointown All Ways Engine to Carry Out Multi-Terminal Channel Promotion Cooperation

On October 23, 2025, the Company formally signed a strategic cooperation agreement with Jointown All Ways Engine (Hubei) Co., Ltd. in Wuhan. Fully leveraging their respective advantages in the R&D and production of respiratory inhalation preparations and the nationwide pharmaceutical sales and service network, both parties will focus on in-depth collaboration centered on multi-terminal channel promotion for all products and jointly deliver high-quality medications to patients in a more efficient and precise manner, thereby injecting new momentum into the Healthy China Initiative.

Case The Company Signed A Strategic Cooperation Agreement with China Resources Anhui Pharmaceutical to Support Channel Development

On March 4, 2025, CF PHARMTECH held a meeting with China Resources Anhui Pharmaceutical Co., Ltd. and signed a strategic cooperation agreement. This signing signifies that China Resources Anhui Pharmaceutical has officially become CF PHARMTECH's exclusive partner for the Shu Fei Min® (Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray) project in Anhui Province. Guided by compliance and empowered by channel resources, both parties will uphold the philosophy of "Integrated Procurement, Sales and Marketing" to jointly provide patients with higher-quality medical services.

Caring for Patients' Health

The Company always gives the highest priority to patients' health, upholds the "patient-centered" philosophy, and is committed to becoming a trusted health guardian for patients. Focusing on common respiratory diseases such as allergic rhinitis, asthma, and COPD, we have established an integrated online and offline respiratory health science education system. Through diverse channels including free medical consultations, new media platforms, and digital livestreams, we promote universal access to respiratory health knowledge, and facilitate the early prevention and standardized diagnosis and treatment of diseases.

Offline Free Medical Consultations: Delivering Warmth, Safeguarding Health

During the 2025 "National Allergy Day" and "National Nose Care Day", the Company held offline free medical consultations in 3 cities across the country, inviting over 20 clinical experts from relevant departments and serving over 2,000 patients in total, with an overall participant satisfaction rate of 98%. The activities promoted the popularization of respiratory health knowledge, improved the level of standardized diagnosis and treatment for diseases, and enabled more patients to benefit from high-quality medical services and drug accessibility.

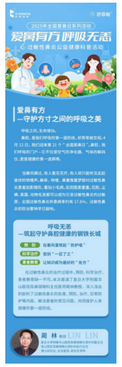
Case The Company Held the "Care for Your Nose, Breathe Easy" Free Medical Consultations

In April 2025, CF PHARMTECH held the "Care for Your Nose, Breathe Easy" public health activities for the 2025 National Nose Care Day simultaneously in multiple locations across the country and online, effectively addressing the concerns of numerous patients with nasal diseases. The activities not only offered free preliminary consultations and medical advice but also featured nasal endoscopy, guidance on proper medication use, and demonstrations of nasal care devices. For pediatric patients, an interactive "Allergy Knowledge Mini-Class" was available to convey health knowledge in an edutaining manner.

Online Science Education: Building a Personal Respiratory Health Companion

Case CF Breathe Easy—Online Science Education

Leveraging the WeChat official account "CF Breathe Easy", the Company systematically develops a science education content system, providing the public with scientific, authoritative, and easy-to-understand respiratory health knowledge through diverse formats such as graphics and videos. The platform is committed to becoming a respiratory health companion for the public and is gradually building a comprehensive health knowledge base covering the full range of respiratory diseases. In 2025, the total views of online science education video content exceeded 10 million, effectively breaking the spatial and temporal limitations of traditional science education and efficiently delivering professional medical resources to patients.



Digital Livestreaming: Empowering Primary Care, Delivering Health Information to All

The Company has strengthened cooperation with digital health platforms. Leveraging online platforms such as YSB and Youngjoin to hold brand-exclusive livestreaming events, it accurately delivers disease and product knowledge to the public, uses digital means to overcome primary care access barriers, and promotes universal access to respiratory health knowledge.

Case The Company Successfully Held Brand-Exclusive Livestreaming Events

In 2025, the Company successfully held 8 brand-exclusive livestreaming events, with each averaging over 15,000 terminal reaches, an average online duration exceeding 25 minutes, and over 500 interactions per science education session.

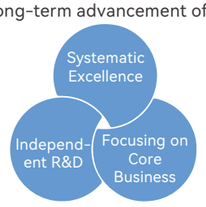
Innovation-Driven Development

With scientific and technological innovation as the core engine driving continuous progress, CF PHARMTECH has established a full-chain R&D management system spanning scientific and technological innovation initiatives, promotion of industry collaboration, R&D innovation achievements, R&D direction planning, and intellectual property protection. Leveraging five core technology platforms and a scientific talent incentive mechanism, the Company activates its endogenous impetus and lays a solid foundation for sustained innovation and development, fully demonstrating its robust practices and outstanding achievements in leading technological upgrades in the respiratory health sector, strengthening intellectual property protection, and advancing R&D innovation under an ESG management framework.

R&D and Innovation

Strategy

With technological innovation as the core driver for its sustainable business development, the Company adopts "Focus on Core Business, Independent R&D, and Systematic Excellence" as its three strategic pillars. In terms of focusing on its core business, the Company deepens its presence in respiratory diseases and inhalation preparations, and continuously advances the research and development of innovative drugs and modified new drugs. Elevating independent R&D to a strategic priority, the Company explicitly identifies the enhancement of independent R&D capabilities for key technology platforms and core processes as the pivotal point for building long-term competitiveness, while accelerating its transformation into a global innovative pharmaceutical enterprise. In terms of systematic excellence, the Company benchmarks against international standards to establish a standardized, efficient, and sustainable R&D innovation system, thereby enhancing the Company's R&D innovation level and promoting the long-term advancement of R&D initiatives.

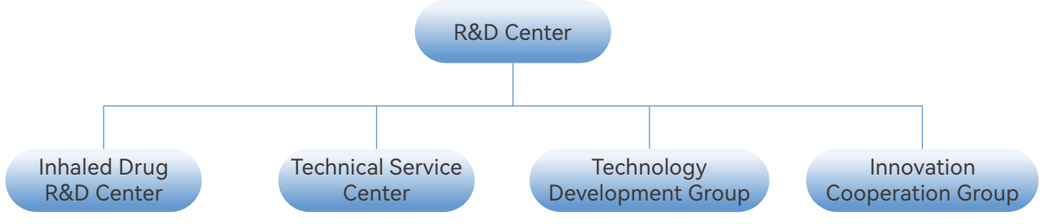


R&D Innovation Strategy

Governance

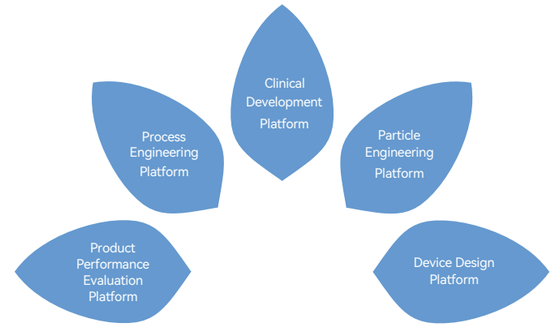
In strict accordance with the requirements of international authoritative regulations issued by the FDA and EMA, the Company has successively formulated multiple internal management documents, including the R&D Laboratory Management System, R&D Materials and Samples Management Process, R&D Management Review Procedure, R&D and Clinical preparation Inbound and Outbound Management, and R&D Change Control Management Procedure, to standardize drug research and development management.

As the core of the Company, the R&D Center comprises the Inhaled Drug R&D Center, Technical Service Center, Technology Development Group, and Innovation Cooperation Group. As the Company's primary R&D center, the Inhaled Drug R&D Center is further divided by preparation type; the Technical Service Center is responsible for the Company's collaborations, technical services, and other emerging drug projects; the Technology Development Group focuses on developing inhalation devices suitable for the Company's products; the Innovation Cooperation Group is responsible for developing novel compounds for the Company's products. The four units work together to form an innovative R&D structure, advancing the Company's R&D innovation efforts.



R&D Innovation Organizational Structure

In terms of technology platform development, through years of independent R&D and technological accumulation, the Company has established an R&D management system covering the entire process from early-stage R&D and clinical studies to industrialization. In addition, it has built five core technology platforms encompassing Particle Engineering, Device Design, Product Performance Evaluation, Clinical Development, and Process Engineering. These five platforms are mutually supportive and work in synergy, providing robust technical assurance for product quality, forming a complete technological closed-loop and core competitiveness from R&D innovation to industrialization for the Company. Based on this, the Company continuously expands the innovative pathways and application boundaries of inhalation technology, and steadily enhances its independent innovation capabilities.



Five Core Technology Platforms

Impact, Risk, and Opportunity Management

As a pharmaceutical company specializing in inhalation technology and drug R&D, production, and commercialization, the Company attaches great importance to managing risks and opportunities during the R&D and innovation process. By accurately identifying risk categories, risk scenarios, and their specific impacts, and covering key dimensions including technology and talent, the Company proactively develops response measures tailored to its actual situation to minimize risk losses and fully seize opportunities for innovation and development.

R&D Innovation Risks

Risk Category	Risk Scenarios/ Opportunities	Risk Impacts	Time Horizon	Severity	Response Measures
Technology Lag Risks	Risks: Failure of clinical trial results for innovative drug projects to meet expectations; existing technical barriers in cutting-edge technologies; Opportunities: Technological breakthroughs; new product R&D achievements	Failure to recover early-stage R&D investment, resulting in impairment of pipeline value	Medium	Medium	Continuously improve the R&D management system; strengthen R&D platform development; deploy multidimensional innovation pathways
Talent Risks	Risks: Intense competition for high-end technical talent; loss of core technical personnel; Opportunities: Smooth progress in R&D projects; continuous improvement of technological innovation capabilities	Delays in R&D project progress, decline in technological innovation capabilities; increased talent costs	Short	Medium	Improve long-term talent incentive mechanism and increase efforts in cultivating R&D talent

Technological Innovation Initiatives

The Company attaches great importance to the enabling role of R&D innovation in corporate development, and has established an innovation-driven system covering the full chain from technological innovation and technology transfer to industrial application. By continuously improving the R&D innovation system, strengthening R&D platform development, sustaining R&D investment, enhancing financial support for R&D, and improving talent incentive mechanisms, the Company has injected strong momentum into its sustainable development.

R&D Innovation Initiatives

Improving the R&D System	● Continuously optimize the R&D project management system to enhance the standardization and transparency of the R&D process ● Strengthen the implementation of compliance requirements such as GMP and GLP throughout the R&D process ● Promote the clinical translation of R&D achievements and efficiently advance collaborative projects to the clinical stage through project-based management ● Improve the innovation management system and optimize the management systems for collaborative projects and intellectual property rights
Strengthening Platform Development	● The R&D department, in line with the Company's overall development strategy and product R&D requirements, continuously advances the development of departmental-level key technology platforms and R&D infrastructure, and steadily enhances R&D efficiency and technological accumulation capabilities ● Deploy frontier technology and develop differentiated R&D platforms
Sustained R&D Investment	● The Company plans to sustain its investment in technological innovation, with R&D investment levels aligned with its development path and operational scale ● R&D funds are primarily used for new drug R&D, pre-clinical research, process optimization, quality system development, as well as the recruitment and cultivation of R&D talent
R&D Funding Support	● R&D funding primarily comes from the Company's own funds and operating cash flow ● The Company will actively apply for government special funds for scientific research, industrial support funds, and technological innovation subsidies to ensure stable R&D investment ● Establish an R&D budget management and dynamic evaluation mechanism to ensure the compliant, stable, and sustainable use of R&D funds ● During the reporting period, the company's R&D expenses reached 12,454.90 ten thousand RMB, representing 28.8% of its operating revenue.
Talent Incentive Mechanism	● Introduce and cultivate high-level R&D talent, and improve the incentive mechanism for R&D personnel ● Incorporate innovation outcomes, compliance performance, and team building into the performance evaluation system ● During the reporting period, the number of R&D employees in the company was 174, representing 30.85% of the company's total number of employees.

Advancing Industry Collaboration

The Company actively leverages its business strengths in inhalation drug delivery technology and, through multidimensional collaboration among technology, platforms and industrial resources as well as extensive industry experience in industry-university-research collaboration and industry exchanges, achieves complementary advantages and resource synergy with multiple stakeholders in the industry, continuously promoting the prosperous development of the respiratory therapy industry.

In term of industry-university-research collaborative innovation, the Company has established a diversified and in-depth cooperation system, built close partnerships with universities such as Jiangnan University, and actively conducted professional talent development programs. By leveraging strong alliances and complementary advantages, the Company collaborates with industrial parks and industry partners to advance the transformation and application of scientific research achievements in cutting-edge inhalation preparation technologies. Pooling leading theories and technological achievements in efficient inhalation drug delivery, the Company continuously strengthens its five core technology platforms and expands its presence in frontier areas such as inhalable small nucleic acids and liposomes.

Case CF PHARMTECH Strengthens Collaboration with Jiangnan University to Jointly Build a Professional Talent Cultivation and Development Framework

On March 7, 2025, faculty and students from the School of Life Sciences and Health Engineering at Jiangnan University visited CF PHARMTECH for a special corporate visit and career outreach initiative, along with a scholarship award ceremony. The Company strengthens collaboration with the School of Life Sciences and Health Engineering at Jiangnan University, further deepens university-enterprise supply-demand alignment, and carries out extensive and in-depth cooperation in broadening employment channels, providing internships and practical training, and improving talent cultivation quality. They also jointly promote the cultivation of pharmaceutical professionals and advance the development of the pharmaceutical industry.

Case CF PHARMTECH's Inhaled Small Nucleic Acid Drug R&D Subsidiary Officially Settled in BioBAY

On August 1, 2025, CF PHARMTECH's subsidiary focused on the research and development of inhaled small nucleic acid drugs officially settled in BioBAY, marking a new step in the Company's strategic layout in innovative therapies for respiratory diseases. BioBAY, as a biomedicine hub in Suzhou, enjoys a favorable business environment and strong industrial advantages. The Company is developing an inhaled siRNA therapy for pulmonary drug delivery, which has the potential to redefine the treatment landscape for respiratory diseases by targeting disease genes or pathways to achieve more durable disease control.

Case CF PHARMTECH and GenePharma Launched Inhaled Small Nucleic Acid R&D Project

On August 1, 2025, the Company entered into a strategic cooperation with GenePharma, a company based in BioBAY, and launched an inhaled small nucleic acid R&D project. Through integrating the advantages of delivery platform and small nucleic acid technology, both parties will accelerate the development of inhaled nucleic acid drugs, promote the clinical translation of potential "first-in-class" therapies, and provide better treatment options for patients worldwide.

In terms of industry exchange, the Company actively participates in domestic industry conferences, forums, and other events, collaborates with stakeholders nationwide to discuss technological innovation and promotion in otolaryngology-head and neck surgery, shares its novel diagnostic and treatment approaches in pediatric otolaryngology-head and neck surgery, showcases its related products for integrated treatment and management of respiratory diseases, promotes synergistic effects in technological development and innovation across the sector, and continuously drives industry progress.

Timeline	In 2025, the Company Actively Participated in Multiple Major Industry Conferences and Forum Events
April 25-27, 2025	CF PHARMTECH attended the Founding Conference of the Pediatric Otorhinolaryngology and Head and Neck Surgery Committee of the China Association for Promotion of Health Science and Technology, as well as the 14th National Pediatric Otolaryngology Head and Neck Surgery Academic Forum
May 9-11, 2025	CF PHARMTECH attended the 2025 11th Annual Conference of the Otolaryngology Head and Neck Surgery Branch of the Chinese Medical Doctor Association
May 22-25, 2025	CF PHARMTECH attended the 2025 Annual Rhinology Conference & 16th Special Academic Conference on Nasal Infections and Allergic Diseases Hosted by the Chinese Medical Journals Publishing House
June 18-22, 2025	CF PHARMTECH attended the 2025 Jiangsu Academic Conference on Otolaryngology Head and Neck Surgery
June 24-26, 2025	CF PHARMTECH attended the CPHI & PMEC China 2025
July 3-6, 2025	CF PHARMTECH attended the Symposium on Pediatric Acute Respiratory Infections and Rational Use of Antibiotics & the 13th Jiangsu-Zhejiang-Shanghai-Anhui Pediatric Respiratory Forum
July 18, 2025	CF PHARMTECH National Investigator Meeting for the Phase III Clinical Trial of Budesonide Nasal Spray
August 22-24, 2025	CF PHARMTECH attended the 2025 Gusu Pediatric Respiratory Forum & Training Course on Advances in the Diagnosis and Treatment of Pediatric Respiratory and Allergic Diseases
September 25-27, 2025	CF PHARMTECH attended the 2025 Scientific Meeting of the Chinese Society of Allergy
October 30-November 2, 2025	CF PHARMTECH presented at the 22nd Academic Conference on Otolaryngology Head and Neck Surgery of the Chinese Medical Association
November 19-21, 2025	CF PHARMTECH made a grand appearance at the 91st PHARMCHINA & 2025 NHNE

Case **CF PHARMTECH attended the Founding Conference of the Pediatric Otorhinolaryngology and Head and Neck Surgery Committee of the China Association for Promotion of Health Science and Technology, as well as the 14th National Pediatric Otolaryngology Head and Neck Surgery Academic Forum**

From April 25 to 27, 2025, CF PHARMTECH successively attended the Founding Conference of the Pediatric Otorhinolaryngology and Head and Neck Surgery Committee of the China Association for Promotion of Health Science and Technology, as well as the 14th National Pediatric Otolaryngology Head and Neck Surgery Academic Forum in Chongqing. At this academic forum focused on pediatric otolaryngology, Professor Xu Zhengmin shared CF PHARMTECH's novel diagnostic and treatment approaches in pediatric otolaryngology head and neck surgery. At this conference, the Company showcased its products for the integrated treatment and management of respiratory diseases at its booth, including Shu Fei Min and others.

Case **CF PHARMTECH National Investigator Meeting for the Phase III Clinical Trial of Budesonide Nasal Spray was Successfully Held!**

On July 18, 2025, the National Investigator Meeting for the Phase III Clinical Trial of the Company's Budesonide Nasal Spray was successfully held in Changsha. Organized by the leading unit, Beijing Tongren Hospital Affiliated to Capital Medical University, the meeting adopted a hybrid format of online and offline participation, featuring in-depth discussions on the Phase III clinical trial protocol for CF Budesonide Nasal Spray and relevant operational implementation details. The meeting brought together over 100 participants, including investigators and institutional experts, from approximately 40 centers across the country. Zhu Yuyu, Deputy General Manager of CF PHARMTECH, Li Qi, Head of the Research Institute, and the clinical operations team jointly attended the meeting.

Case **CF PHARMTECH attended the 2025 Scientific Meeting of the Chinese Society of Allergy**

From September 25 to 27, 2025, the Company attended the 2025 Scientific Meeting of the Chinese Society of Allergy in Nanjing, Jiangsu Province. The meeting comprehensively showcased the latest achievements and development trends in the field of allergy in China, promoting interdisciplinary integration and exchanges. At the meeting, the Company held a symposium entitled Development History and Pharmacoeconomic Evaluation of Novel Intranasal Corticosteroid-Antihistamine Compound preparations in China, with a lively atmosphere and a full house.

Case **CF PHARMTECH presented at the 22nd Academic Conference on Otolaryngology Head and Neck Surgery of the Chinese Medical Association**

From October 30 to November 2, 2025, the Company attended the 22nd Academic Conference on Otolaryngology Head and Neck Surgery of the Chinese Medical Association in Chongqing. During the conference, CF PHARMTECH held a special symposium entitled Development History and Pharmacoeconomic Evaluation of Novel Intranasal Corticosteroid-Antihistamine Compound preparations in China. In the final session, Dr. Guan Xin shared detailed research findings on the pharmacoeconomic evaluation of Azelastine Hydrochloride and Fluticasone Propionate Nasal Spray.

R&D Innovation Achievements

In 2025, CF PHARMTECH had 6 products approved for marketing by the National Medical Products Administration (NMPA) and the U.S. FDA, with a pipeline of over 20 R&D projects in regions including China, the United States, and Europe, covering dosage forms such as inhaled liquid preparations, nasal sprays, and inhalation solutions. Focusing on major respiratory diseases and continuously leveraging its strengths in independent R&D and innovation, the Company achieved multiple significant R&D advances and key milestones during the year, laying a solid foundation for the further advancement of its product pipeline and clinical translation.

Timeline	Continuous R&D Progress Achieved by the Company in 2025
January 17, 2025	The Company's new product, Formoterol Fumarate Inhalation Solution for COPD, was approved for marketing, providing more treatment options for domestic patients with chronic obstructive pulmonary diseases
February 24, 2025	The Company's self-developed new product, Budesonide Nasal Spray, obtained implied approval for clinical trial from the National Medical Products Administration. The product is indicated for the treatment of seasonal and perennial allergic rhinitis and perennial non-allergic rhinitis; the prevention of nasal polyp recurrence following nasal polypectomy; and the symptomatic treatment of nasal polyps
July 1, 2025	The Company's self-developed Indacaterol Maleate and Glycopyrronium Bromide Powder for Inhalation for COPD officially obtained implied approval for clinical trial from the National Medical Products Administration
July 15, 2025	The Company's self-developed inhalation preparation completed its first overseas shipment
August 19, 2025	The marketing authorization application for the Company's self-developed Mometasone Furoate Nasal Spray was officially accepted by the National Medical Products Administration. The product is indicated for the treatment of seasonal or perennial allergic rhinitis in adults, adolescents, and children aged 3 and above
December 22, 2025	The clinical trial application for the Company's self-developed compound preparation, Olopatadine Hydrochloride and Mometasone Furoate Monohydrate Nasal Spray, was accepted by the National Medical Products Administration. The product is indicated for the treatment of moderate to severe allergic rhinitis symptoms in adults and adolescents aged 12 and above

In terms of innovative pipeline development, in 2025, the company closely focused its R&D efforts on idiopathic pulmonary fibrosis (IPF) and pulmonary arterial hypertension (PAH). Leveraging its systematic capabilities in inhalation drug delivery, device engineering, global regulatory registration, and industrialization, the Company continuously built a multi-level product portfolio of "high-end complex formulations + innovative drugs", laying a solid foundation for subsequent clinical development and achievement transformation.

Progress of the Company's R&D Pipeline in 2025

Project	R&D Progress	Innovation Value
IC004	In 2025, the project will successfully submit an IND application and enter the clinical application stage.	Adopting the inhalation route of administration, it achieves lung-targeted delivery, which is expected to increase local drug concentration, reduce systemic exposure, and mitigate related side effects. If it successfully enters clinical trials, IC004 is expected to become one of the first global or Chinese inhalation therapies for IPF (Idiopathic Pulmonary Fibrosis), providing patients with a safer and more effective treatment option.
IC001	In 2025, the project will successfully submit an IND application.	Based on the company's inhalation platform, efficient lung delivery of the drug is achieved, which is expected to enhance patient compliance and treatment precision, providing PAH (Pulmonary Arterial Hypertension) patients with a convenient and innovative treatment pathway.

Case **CF PHARMTECH's Innovative Inhaled Drug Included in 2025 Suzhou Key and Core Technology R&D Program**

On October 15, 2025, the Company's first-in-class innovative inhaled drug project for pulmonary fibrosis (including idiopathic pulmonary fibrosis, IPF) was included in the approved project list of 2025 Suzhou Key and Core Technology R&D Program. Leveraging the Company's integrated inhalation platform (formulation process – delivery device – clinical and CMC-compliant production), the project adopts a core strategy of direct lung delivery, increased lesion exposure, and reduced systemic burden, aiming to provide a differentiated new treatment paradigm for pulmonary fibrosis.

Case **Project Led by CF PHARMTECH Successfully Selected into 2025 Jiangsu Major Science and Technology Program (Innovative Biologics Category)**

On December 24, 2025, the novel inhaled nucleic acid drug development project led by the Company was selected into 2025 Jiangsu Major Science and Technology Program (Innovative Biologics Category). The project focuses on the key challenges in small nucleic acid (siRNA) drug delivery to the lungs, and aims to advance the translational research and preclinical development of inhaled nucleic acid drug candidates.

R&D Direction Planning

Upholding its original aspiration and leveraging its increasingly mature multi-dose inhalation platform, CF PHARMTECH is committed to pushing the boundaries of inhalation preparation applications and will explore new formulation technologies, new therapeutic areas, medical devices, therapies for refractory pulmonary diseases, aerosol products, and AI-powered drug discovery. Meanwhile, the Company will continuously focus on patients' needs and accelerate the R&D process to provide breakthrough treatment options for more diseases.

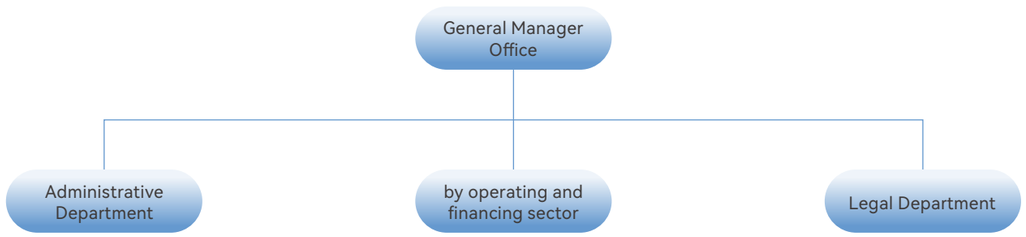
R&D Innovation Directions

Innovation Direction	Specific Content
Novel Formulation Technologies	The Company is actively advancing novel formulation technologies, such as liposomal delivery systems and siRNA therapies, to expand the application of inhaled drugs across a broader range of disease areas
New Therapeutic Areas	The Company is currently expanding into new therapeutic areas, including central nervous system (CNS) disorders and anti-infective therapies, leveraging its inhalation technology to extend its applications into other therapeutic domains
Medical Devices	The Company develops innovative medical devices, such as devices for endobronchial interventional therapy
Therapies for Refractory Pulmonary Diseases	In the field of refractory diseases, such as idiopathic pulmonary fibrosis (IPF) and pulmonary arterial hypertension (PAH), the Company is developing potential "first-in-class" or "first-in-China" therapies to improve patients' quality of life
Aerosol Products	The R&D department is actively advancing the development of aerosol products using green propellants as the carriers. By optimizing technical pathways, the Company aims to reduce greenhouse gas emissions from these products during use, driving their development toward greater environmental sustainability Currently, the R&D department has completed the construction of an R&D and pilot laboratory for green propellant-based aerosols, which preliminarily meets the requirements for process research and technical verification, laying a solid foundation for subsequent technology optimization, scale-up studies, and industrialization feasibility assessment
AI-Powered Drug Discovery	The Company is actively expanding its presence in AI-powered drug discovery by introducing artificial intelligence and machine learning technologies to build drug screening and design platforms, thereby enhancing the efficiency of candidate molecule discovery and the precision of optimization

Intellectual Property Protection

The Company attaches great importance to intellectual property protection and strictly complies with relevant domestic and international laws and regulations in jurisdictions where it operates, including the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Guidelines for Patent Examination, the United States Patent Law, and the European Patent Convention. The Company has established an intellectual property protection system covering patent protection, trademark protection, copyright protection, etc., and formulated internal documents such as the Intellectual Property Management System. Focusing on the five core technology platforms and core product R&D pipelines, it standardizes the intellectual property management and has built a rigorous intellectual property protection network.

The Company has established an Intellectual Property Management Team and formed an intellectual property management organizational structure coordinated by the General Manager's Office, with the Administrative Department, business departments and Legal Department participating collaboratively. The team has formulated the Company's Intellectual Property Management Regulations, coordinates overall intellectual property management, guides, supervises and inspects intellectual property-related work of other departments, and is responsible for external affairs such as intellectual property applications and dispute resolution. The General Manager's Office is responsible for the overall management of the Company's intellectual property, including strategic planning, annual plans, rewards, and penalties. The Administrative Department is responsible for the Company's intellectual property-related work such as external applications, record-keeping, renewals, analysis, and evaluation. Each relevant business department shall designate its own intellectual property management personnel to be responsible for intellectual property identification, application content documents, and management. The Legal Department is responsible for the Company's intellectual property-related legal affairs.



Intellectual Property Management Organizational Structure

The Company actively implements full-process control measures for pharmaceuticals and has established a drug traceability system featuring "one item, one code", covering the process from production coding to patient scanning, thereby strictly preventing and combating counterfeit and substandard drugs, while continuously enhancing the quality of intellectual property management. For market supply and circulation, the Company dynamically tracks drug flow through real-time market research and online risk monitoring, actively follows up on consumer feedback, resolutely combats counterfeit and substandard drugs that harm consumers' life and health, and protects product intellectual property rights.

In terms of intellectual property achievements, in 2025 the Company completed overseas patent layouts for three innovative drug projects, covering ten countries, submitted three patent applications during the year, and established dedicated patent protection for key technology platforms and candidate molecules. These efforts effectively safeguard the Company's technological innovation achievements and lay a solid legal foundation for future international competition.

R&D Innovation ESG Management

On the basis of improving the R&D management system, the Company's R&D center, in line with its functional positioning, promotes the normalization of R&D innovation ESG management. It continuously carries out related work focusing on green R&D, R&D safety, compliance governance, and talent development, constantly enhances the compliance, sustainability, and social value of R&D activities, and improves the Company's R&D innovation management capabilities in multiple dimensions, providing support for the Company's high-quality development and the achievement of its long-term strategic goals.

R&D Innovation ESG Management

E Environment	Green R&D	• The R&D department continuously promotes the philosophy of green R&D, optimizes experimental design and research pathways, and reduces unnecessary repeated tests • In laboratory management, the Company strengthens the classified management and compliant disposal of chemical reagents, solvents, and samples, gradually promotes the replacement of high-toxicity and high-hazard reagents with low-toxicity and low-hazard alternatives, and continuously improves the classified management of laboratory waste and the standardized disposal process • Promote electronic data management and paperless submissions to reduce the impact of R&D activities on resources and the environment • Increase the electronic coverage rate of R&D documents to more than 90%

R&D Innovation ESG Management

S Society	R&D Safety	• Conduct R&D activities strictly in accordance with GMP and relevant regulatory requirements, ensuring that research data is authentic, complete, and traceable • In the course of clinical development and pharmaceutical research, strengthen the protection of subject rights and data privacy management, and strictly implement informed consent and ethical review requirements
G Governance	Compliance Governance	• The R&D department continuously improves R&D management and internal control mechanisms, clarifies job responsibilities and decision-making processes, and strengthens the identification and management of R&D deviations, changes, and risks, ensuring that R&D activities operate efficiently within the compliance framework • Strengthen R&D data management and information security to prevent data integrity and compliance risks
	Talent Development	• The department focuses on the professional capacity building and career development of R&D personnel, and enhances the team's overall technical capabilities and compliance awareness through systematic training and cross-departmental collaboration

Indicators and Targets

Indicator	Unit	2023	2024	2025
The Company's cumulative valid patents	Number	35	53	65
Cumulative invention patents	Number	11	13	19
Patent applications filed in the current year	Number	51	42	23
Invention patent applications filed in the current year	Number	28	19	11
Patents granted in the current year	Number	8	18	15
Invention patents granted in the current year	Number	2	2	6
R&D investment amount	RMB 1,000	132,788.00	121,849.00	124,549.00
R&D expenditure as a percentage of core business revenue	%	23.86	20.05	28.80
Number of R&D personnel	Person(s)	182	189	174
R&D staff as a percentage of total employees	%	28.39	29.58	30.85

Clinical Trial Ethics

Drug R&D ethics is an important component of the Company's business ethics management. The Company strictly complies with the laws, regulations, and ethical principles in jurisdictions where it operates, including the Good Clinical Practice (GCP), the Declaration of Helsinki, the Good Clinical Practice issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH-GCP), the Ethical Review Measures for Life Science and Medical Research Involving Human Beings, the Personal Information Protection Law of the People's Republic of China, the U.S. Health Insurance Portability and Accountability Act (HIPAA), and 21 CFR Part 50 Protection of Human Subjects. The Company has internally developed management documents, including the Clinical Trial Drug Management, the Clinical Trial Document Management, the Clinical Trial Audit Procedures, the Selection of Clinical Research Organizations, the Clinical Trial Medical Document Development and Review Process, the Management of Clinical Trial Adverse Events and Abnormal Situations, and the Clinical Trial Project Management, to ensure the safe conduct of clinical trials.

The Company has established a subject rights protection system from four dimensions including informed consent management, privacy information protection, liability insurance protection, and information openness and transparency, ensuring that clinical trials undergo sufficient ethical review to safeguard the rights, safety, and well-being of subjects.

Subject Rights Protection System

Informed Consent Management	• The Company strictly adheres to GCP requirements, ensuring all subjects fully understand the trial's purpose, procedures, potential risks, and benefits prior to participating in clinical trials • The informed consent form is written in plain language to fully disclose trial information. Subjects or their legal representatives shall sign a written informed consent form prior to enrollment • For international clinical trials, the Company provides informed consent materials adapted to local languages and cultural practices, ensuring full and adequate information disclosure
Privacy Information Protection	The Company strictly protects subjects' privacy. Personal information of subjects and investigators collected, stored, and used in clinical trials is only for clinical trial purposes
Liability Insurance Protection	The Company purchases clinical trial liability insurance to ensure that the safety and legitimate rights and interests of trial participants are protected
Information Openness and Transparency	All clinical trials conducted by the Company within China are registered on the Drug Clinical Trial Registration and Information Disclosure Platform of the National Medical Products Administration, including key details such as trial title, principal investigator, and ethics committee approval information, ensuring the openness and transparency of clinical trial information

Case **CF PHARMTECH Successfully Completed One IIT Clinical Trial**

Throughout 2025, the Company continues to advance diversified R&D collaboration, and engages in deep partnerships across areas such as novel drug development, mechanism and efficacy study, delivery system development, and investigator-initiated trials (IIT). As of the end of 2025, the Company had successfully completed one IIT clinical trial, conducted multiple efficacy and mechanism studies, identified several candidate molecules, and formed a preliminary patent portfolio, laying a solid foundation for subsequent clinical translation and product development.

Animal Research Ethics

Laboratory animals play an indispensable role in pharmaceutical R&D and life science research. The Company's drug R&D involves animal testing. Respecting the contributions of laboratory animals to research, the Company strictly complies with national and local laboratory animal management regulations such as the Regulations for the Administration of Laboratory Animals, the Guidelines for the Ethical Review of Laboratory Animal Welfare, and the Measures for the Administration of Laboratory Animals in Jiangsu Province, consistently implements the Guidelines on the Humane Treatment of Laboratory Animals, protects animal welfare in accordance with the law, and ensures that animal experiments comply with ethical requirements.

In scientific research practices, the Company focuses on advancing the 3R principles including Reduction, Replacement and Refinement, integrates laboratory animal welfare into all stages including breeding, transportation, experimental design, experimental procedures, and post-experimental disposal, continuously optimizes animal experiment processes and project design schemes, and strictly oversees the necessity, rationality, and standardization of experiments. The Company provides adequate conditions for laboratory animals in terms of temperature and humidity monitoring, water, feed, and living space, effectively improving their living environment and quality of life, reducing harm and distress caused by experiments, and earnestly safeguarding animal welfare.

Supply Chain Management

CF PHARMTECH is committed to building an efficient, high-quality, and sustainable supply chain system. By formulating management strategies and improving the regulatory system, the Company comprehensively strengthens its supply chain management system, integrates ESG sustainable development philosophy deeply into supply chain processes, and ensures the reliability and stability of its supply chain across multiple dimensions.

Strategy

With R&D as its foundation, a full-dosage-form platform as its framework, and business ecosystem as its extension, the Company has expanded its strategic supply chain layout to overseas markets, aiming to build a diversified and innovative global supply chain value network and ensure the stable supply of products in global markets. Based on the characteristics and development path of the inhalation preparation industry, the Company continuously refines its supply chain management processes and optimizes management models to establish a professional supply chain management system. Meanwhile, it precisely manages supplier qualifications, product quality, and delivery efficiency according to business needs, and achieves the optimal allocation and efficient operation of supply chain resources. In supply chain management, the Company deeply integrates the sustainable development philosophy, incorporates ESG dimension requirements throughout the supplier management system, and achieves synergistic development among efficient supply chain governance, social responsibility fulfillment, and environmental protection.

Governance

The Company has formulated internal documents such as the Supplier Management System and the Procurement Process Guidelines, clarifying supplier management procedures and requirements to ensure that raw and auxiliary materials are safe and controllable. Meanwhile, the Company has formulated policies regarding the procurement of technical contract services, clarifying the responsibilities of service providers such as CRO, testing agencies, and clinical trial centers. The Company has established a supply chain governance framework centered on the Supply Chain Management Department and coordinated by the Quality Department, as well as a scientific management system covering supplier selection, qualification, and audits, ensuring the procurement process achieves an optimal balance among quality, delivery, and cost.

Impact, Risk, and Opportunity Management

The stability of the supply chain is directly related to product quality. The Company attaches great importance to the management of risks and opportunities in supply chain process, fully recognizes the importance of supply chain management to its sustainable operations, and minimizes risks while strengthening the sustainable development of the supply chain through precise risk identification, scientific assessment, and implementation of response measures.

Supply Chain Management Risks

Risk Category	Risk Scenarios/ Opportunities	Risk Impacts	Time Horizon	Severity	Response Measures
Supply Risks	Risks: Shortage of key raw materials; logistics disruptions; Opportunities: Stable and continuous supply of drugs	Production line disruptions, resulting in inability to deliver orders	Short	Medium	Establish a safety stock mechanism to ensure multi-site logistics supply and safeguard the continuous production and supply of drugs
Cost Risks	Risks: Fluctuations in raw material prices; increased transportation costs; Opportunities: Profit margins guaranteed	Increased disposal costs and reduced profit margins, which may adversely affect the competitiveness of quotations	Short	Medium	Utilize diversified suppliers for key raw and auxiliary materials as well as logistics transportation; when signing agreements with suppliers, lock in prices or establish price adjustment mechanisms

Supply Chain Management Risks

Risk Category	Risk Scenarios/ Opportunities	Risk Impacts	Time Horizon	Severity	Response Measures
Quality Risks	Risks: Substandard quality of raw materials supplied by suppliers; Opportunities: Increased market share attributable to high-quality products	Failure to pass product random inspections, which may adversely affect the product reputation	Short	Medium	Strengthen the supplier qualification mechanism; establish a supplier audit plan and conduct regular assessments
Integrity Risks	Risks: Suppliers offering bribes to internal personnel; Opportunities: Building advantages in corporate governance and brand trust, and fostering a sound business environment	Damage to the business environment, with serious violations constituting a criminal offense	Short	Medium	Strengthen supplier training; enhance internal supervision and management; optimize the supplier audit plan

To address risks arising from supply chain management, the Company continuously improves its supply chain management system. By standardizing supplier selection, qualification, audits and communication mechanisms, it implements supply chain management at all levels and enhances the resilience of the supply chain system.

Supply Chain Management System

Supplier Selection	• The Company has established a diversified supplier system to avoid reliance on a single supplier • The Company signs master framework agreements with key suppliers to reduce the impact of price fluctuations on its products • The Company tends to select large-scale industry suppliers with legally valid and effective qualification documents, such as production and operation licenses and GMP certifications, to ensure products meet quality standards
Supplier Access	• Conduct supplier qualification compliance reviews, capability assessment, and product sample testing • Collaborate with the Quality Management Department to advance supplier qualification audits • Establish a list of qualified suppliers and update it from time to time
Supplier Audits	• The Company has formulated an annual supplier audit plan to review and evaluate supplied products and services by product categories, through either on-site or remote audits • Based on the audit plan and on-site conditions, the Company focuses its inspections on suppliers' quality management, materials, production, facilities and equipment, testing, packaging and labeling, and quality control systems • For outstanding suppliers, the Company prioritizes awarding annual framework contracts and increasing their order volumes • For suppliers who fail to pass the audit, the Company requires them to make rectifications or initiates the supplier elimination mechanism
Supplier Communication	• The department assigns dedicated personnel to liaise with suppliers and follow up on order delivery, ensuring clear accountability, timely communication and improvement, as well as enhanced supplier delivery performance • Conduct multiple supplier training sessions to enhance suppliers management capabilities

On the basis of improving its supply chain management system, the Company continuously advances the normalization of supply chain ESG management, focuses on suppliers' performance in environmental, social, and governance aspects, enhances their sustainable operational capabilities in multiple dimensions, and promotes their green transformation.

Supply Chain ESG Management

E Environment	Environmental Protection	Encourage suppliers to use renewable materials or recyclable packaging
S Society	Quality requirement	Give priority to suppliers certified with management systems such as ISO 9001 and ISO 14001; select key material suppliers with pharmaceutical-grade production qualifications
G Governance	Integrity Management	The Company has implemented strict anti-corruption and anti-bribery policies to prevent collusion and corruption. The Supply Chain Management Department strictly conducts its work in accordance with procedures, consciously accepts supervision, and prohibits private contacts, improper benefit transfers and other improper practices
	Informatization Development	By leveraging the ERP system to facilitate coordination between the Supply Chain Management Department and warehouse management, the Company achieves full-process tracking covering order placement, material receipt, inspection and distribution, and material storage, enabling risk visualization and traceability

Indicators and Targets

Indicator	Unit	2023	2024	2025
Suppliers in Mainland China	Number	63	67	87
Overseas suppliers	Number	16	10	18
Suppliers from Hong Kong, Macao, and Taiwan	Number	0	0	0
Suppliers with Environmental Management System Certificates	Number	14	23	23
Suppliers with Occupational Health and Safety Management System Certificates	Number	8	11	11
Suppliers with Quality Management System Certificates	Number	21	34	34
Supplier Trainings	Number	12	9	29

Community Investment and Philanthropy

The healthy development of an enterprise is closely related to the prosperity and progress of society. As a pharmaceutical company specializing in respiratory health, CF PHARMTECH consistently upholds the philosophy of "taken from the society, used for the society", and integrates community investment and philanthropy into its corporate development strategy. We not only serve patients with high-quality products but also extend care to the wider community through diversified philanthropic activities, contributing to the Healthy China initiative. As of the reporting period, the Company's cumulative philanthropic donations have amounted to RMB 4.73 million.

Educational Support: Industry-University-Research Collaboration to Foster Future Hope

CF PHARMTECH actively establishes a talent development mechanism featuring industry-university-research collaboration, and offers special merit scholarships to inspire young students to engage in pharmaceutical research and technological innovation. The Company has donated to the Tsung-Dao Lee School project and the "Nurturing Tomorrow's Hope" special program, while continuously providing financial support to underprivileged students, promoting educational equity and sowing the seeds of hope for social progress.

Social Welfare: Supporting the Elderly and Assisting the Disabled, Relieving Poverty and Helping Orphans, Providing Disaster Relief and Alleviating Hardships

CF PHARMTECH has long been committed to and actively engaged in philanthropic activities including supporting the elderly, assisting the disabled, relieving poverty, helping orphans, and providing disaster relief. The Company responds promptly and proactively assumes responsibility at times of major disasters and urgent social needs. Meanwhile, it fulfills the responsibilities and demonstrates the care of a corporate citizen through concrete actions, continuously giving back to society and spreading positive goodwill.

Case **Changfeng Employee's Stem Cell Donation: Corporate Love in Action**

From April matching to December donation, after 240 days of preparation and 5 hours of collection, Changfeng employee Du Xianjun selflessly donated his stem cells to give an unknown patient a second chance at life. His heroic act was made possible by the company's strong support for employee philanthropy, embodying Changfeng's belief in "doing good as the foundation of business."

04

United in Purpose, Empowering Every Talent

UN SDGs Addressed in This Chapter:

CF PHARMTECH consistently upholds a people-oriented philosophy, respects and protects the legitimate rights and interests of all employees, and is committed to building an equal, diverse, and inclusive workplace environment. Through systematic career development paths and professional skills training, we empower employees to achieve continuous growth, aligning personal value with corporate objectives. Meanwhile, we attach great importance to employees' occupational health and safety, have established a sound safety management system and health protection mechanism, and are committed to fostering a safe, healthy and warm work atmosphere. We firmly believe that only when employees and the enterprise stand together can we achieve steady growth, pursue long-term development and create a shared future.

Protection on Employee Rights and Interests

Employee Employment

The Company upholds a people-oriented philosophy and strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations. It has formulated internal management systems including the Employee Handbook and the Employee Recruitment Management Measures, and established a standardized, fair and transparent employment management system to protect employees' legitimate rights and interests and build an equal, diverse, and inclusive workplace environment.

Core Management Requirements for Each Stage of Employee Employment

Employment Stages	Management requirements
Equal Employment	The recruitment process does not discriminate against applicants on the basis of gender, ethnicity, age, marital status, religious belief, physical appearance or other factors, ensuring equal employment opportunities for all
Anti-Discrimination and Anti-Bullying	Any form of discrimination, harassment or workplace bullying is strictly prohibited. Employees may file complaints or reports through channels including the Human Resources Department and the reporting email box. The Company undertakes to keep whistleblower information strictly confidential and shall conduct investigations and handle matters in accordance with applicable laws and regulations
Prohibition of Child Labor	Employment of individuals under the age of 16 is strictly prohibited. Any employee who discovers child labor shall report it to the Human Resources Department
Employment Contract	Labor contracts are signed with employees in accordance with the law. The initial term is generally 1 to 3 years, and an open-ended contract is available after two consecutive fixed-term contracts
Probation Period Management	Probation period is 2 to 6 months with clear employment criteria. The probation period is included within the contract term and counts towards length of service
Employee Turnover	In terms of resignation, employees shall submit their applications in advance according to regulations and complete the handover of work. When the Company terminates or ends a contract in accordance with the law, it strictly follows the statutory procedures
Relatives Avoidance	Employees shall not have direct or indirect work reporting relationships with their relatives and shall make truthful declarations to avoid conflicts of interest
Internal Referral	Employees are encouraged to refer talents. A referral reward is given after the referred individual successfully passes the probation period and becomes a regular employee

Employee Diversity

A diverse workforce is a crucial cornerstone for an enterprise's innovation and development. During the reporting period, we maintained a professional team of over 500 employees, with a diverse workforce composition covering multiple levels, disciplines and regions. In terms of gender structure, female employees account for over 55%, reflecting our ongoing commitment to gender equality; in terms of professional backgrounds, the team spans multiple fields including biomedicine, chemistry, pharmaceutical engineering, clinical medicine, financial management, and information technology, forming an interdisciplinary talent matrix; in terms of age structure, the team covers all age groups, bringing together seasoned industry experts and energetic young talents; geographically, employees are from all over the country and work collaboratively across global locations including China, the United States and Europe. We firmly believe that such a diverse talent structure injects sustained vitality into the Company's technological innovation, strategic decision-making and sustainable development.

CF PHARMTECH's Employee Structure

indicator	Unit	2023	2024	2025
By gender				
Male	Person(s)	283	275	250
Female	Person(s)	358	364	314
By Employment Type				
Full-time	Person(s)	610	605	540
Internship	Person(s)	31	34	24
By age				
25 and below	Person(s)	194	179	110
25-35	Person(s)	262	263	248
35-45	Person(s)	157	165	168
45 and above	Person(s)	28	32	38
By region				
Hong Kong, Macao, and Taiwan Employees	Person(s)	1	1	3
Overseas employees	Person(s)	5	5	5
Employees in Mainland China	Person(s)	635	633	556
Итого/Total	Person(s)	641	639	564

Compensation and Benefits System

The Company has established a performance-oriented compensation and benefits system, offering competitive remuneration and diversified incentives to attract, retain, and motivate talented employees. The compensation structure comprises basic salary, performance bonus, year-end profit-based bonus and special development incentive funds, fully reflecting the alignment between employee contributions and corporate performance. The Company pays social insurance premiums and housing provident fund in accordance with the law. In addition, the Company provides supplementary benefits such as housing subsidies, employee accommodation, health check-ups, welfare sick leave, and long-service recognition, effectively safeguarding employees' quality of life, health, and well-being.

Employee Communication

The Company has established clearly structured employee communication channels to ensure that employee concerns are promptly addressed and resolved. According to the Employee Handbook, employees may raise issues concerning the work environment, working conditions, benefits and other matters through the following steps.

Communication Level	Communication Style	DESCRIPTION
Step One	Discuss with the direct supervisor	The direct supervisor bears primary responsibility for assisting in resolving issues
Step Two	Report to the department head	If dissatisfied with the supervisor's decision, or if the direct supervisor is the source of the issue
Step Three	Interview with the Human Resources Manager	The Human Resources Department conducts investigations and provides follow-up feedback
Step Four	Contact the Company's senior management	Contact management through the Human Resources Department to seek a resolution at a higher level

In addition to the above levels of communication, the Company has also established the following supplementary channels:

- Communication Mailbox: The Company has set up physical mailboxes in public areas such as the staff canteen, allowing employees to submit opinions, suggestions, or complaints anonymously or by real name. The Company commits to responding within 10 days.

- Dialogue Session and Satisfaction Survey: The Company holds irregular employee dialogue sessions, conducts satisfaction surveys, and formulates the resolutions according to the survey results.

The Company encourages employees to use the open-door communication policy. Employees raising concerns need not fear criticism, punishment, or discrimination. In case of any objection by an employee to disciplinary action, he/she may file an appeal with the Human Resources Department within 2 days of receiving the notice, after which the company will organize an investigation team for review.

Employee Care

The Company participates in various government-mandated employee welfare programs in accordance with the law, effectively protecting employees' basic rights and interests. Meanwhile, the Company strictly complies with legal and regulatory requirements, provides various leave benefits such as maternity and paternity leave, and purchases employer's liability insurance for all employees, further protecting its employees.

Beyond statutory benefits, the Company consistently focuses on employee well-being and corporate culture development. The Company's labor union provides holiday gifts and extends warm wishes to all female employees annually on International Women's Day (March 8), paying tribute to their hard work. Upon the Company's successful listing on the Hong Kong Stock Exchange, it also provided special commemorative gifts to all employees to share this important milestone together.

Through a multi-tiered and all-round benefits system, the Company is committed to creating a secure and warm work environment, allowing every employee to feel valued and cared for.

Case "Act with Integrity, Collaborate with Purpose, Advance into the Future" Themed Annual Event

The Company held its annual event under the theme "Act with Integrity, Collaborate with Purpose, Advance into the Future", reviewing key achievements such as the first FDA-approved product launch and clinical breakthroughs in 2024, while honoring employees at various career stages through an awards ceremony, rallying a cohesive spirit of "One Team, One Heart", and reaffirming its commitment to advancing pharmaceutical innovation and embarking on a new chapter together.

"Act with Integrity, Collaborate with Purpose, Advance into the Future" Themed Annual Event

Case International Women's Day Activities

Each year on International Women's Day, the Company carefully prepares holiday gifts for all employees, conveying respect and care for women. In addition, the Company regularly organizes cultural activities such as themed flower arrangement workshops and handicraft sessions, providing employees with opportunities to relax, cultivate their interests, and relieve work-related stress. These initiatives enrich employees' cultural lives, promote harmonious employer–employee relationships, and reflect the Company's commitment to sustainable ESG management.

International Women's Day Activities

Case Analytical Skills Competition at the Institute of Pharmaceutical Research

In 2025, the Institute of Pharmaceutical Research successfully hosted the 9th Analytical Skills Competition, adopting an innovative format that combines professional technical challenges with engaging competitive elements. This approach breaks the traditional barriers of technical competitions, allowing researchers to exchange expertise in a relaxed and enjoyable environment. At the same time, the manufacturing site carried out Quality Month activities, incorporating hands-on competitions and team-based tasks to enhance quality awareness, standardize operational procedures, and reinforce product quality and safety. These initiatives promote learning through competition and empower employees through practice, enabling employees to improve through practice and develop through competition. These initiatives reflect the Company's dual commitment to professional development and employee well-being.

Analytical skills competition and quality month activities

Case Enrich Team-Building Activities to Strengthen Team Cohesion

To establish a long-term team-building mechanism, the Company has set up dedicated monthly activity funds and annual travel allowances, supporting business units in organizing diverse activities such as social gatherings, outdoor sports, and group travel, thereby effectively alleviating employees' daily work stress. In 2025ms s, the Institute of Pharmaceutical Research organized a two-day trip to Tiantai Mountain in Zhejiang Province, while the manufacturing center conducted outdoor team-building training at Huanggongdang Ecological Park. Through immersive collaborative activities, these progratrengthened team cohesion and resilience.

Team-building activities

CF PHARMTECH's Employee Rights and Benefits Protection Performance

Indicator	Unit	2023	2024	2025
Labor Contract Signing Rate	%	100	100	100
Social Insurance Coverage Rate	%	100	100	100
Employee Compensation Coverage Rate	%	100	100	100
Average paid leave hours per employee	Hour(s)	86	95	100
Labor Dispute Resolution Rate	%	100	100	100

Employee Career Development

In the pharmaceutical industry, characterized by rapid technological iteration and high R&D barriers, only through continuous learning can the Company maintain a leading position. The Company is committed to building a "learning organization", and regards employee growth as an endogenous driving force for corporate development. We focus not only on employees' current job competencies but also on their future potential development. Through systematic training mechanisms, university-enterprise collaborative talent development mechanisms, and a performance orientation based on "Dedication", we inspire employees to keep moving on the path to overcoming respiratory disease challenges and strive for excellence together with the Company.

Career Development Paths

The Company has established dual career paths for its employees, namely the management track and the professional track, to meet the diverse career development needs of individual employees. The management track emphasizes team leadership and organizational coordination, while the professional track focuses on in-depth technical expertise and professional specialization. Employees may choose a suitable development path based on their strengths and career plans.

In talent selection, the Company upholds the principle of "promoting the capable". With performance as the core criterion, complemented by assessments of capability, competencies, and values alignment, the Company follows standardized selection procedures to enable truly talented and contributing employees to obtain promotion and development opportunities.

Talent Selection and Promotion Mechanism

The Company has established standardized talent selection and promotion processes to ensure equity, fairness and transparency.

Selection Stages	Core Content
PERFORMANCE EVALUATION	Annual performance appraisal serves as a key basis for promotion, and a performance rating of B or above constitutes the fundamental prerequisite for promotion eligibility
Competency Assessment	Assess professional knowledge, skill level, and overall competence in accordance with job requirements
Promotion Approval	Approval is granted hierarchically by the department head, leader in charge, Human Resources department, and General Manager, based on the position level
Probationary Assessment	Employees promoted to new positions shall be subject to a probationary period as required, and may only formally take up their posts upon passing the assessment

Talent Cultivation and Development System

On-the-Job Degree Enhancement Program

The Company attaches great importance to employees' academic advancement and skill enhancement, and has successively launched on-the-job undergraduate and postgraduate training programs to provide tuition and learning support for eligible employees.

PROJECT	On-the-job Undergraduate Training Program	On-the-job Postgraduate Training Program
Startup time	2022	2025
Scope of Application	Regular employees from all departments	R&D Center, Regulatory Center, Quality Center, Production Center
Application Requirements	Full-time associate degree, at least 2 years of service, no disciplinary violations in the past two years, and a performance rating of B or above	Bachelor's degree, at least 3 years of service, and no disciplinary violations in the past three years
Cultivation Principles	The major must be relevant to the position, study shall be conducted during spare time, and a service commitment shall be signed	The major must be relevant to the position, study shall be conducted during spare time, and a service commitment shall be signed
Tuition Coverage	The Company bears the tuition fees (registration fees, textbook fees)	The Company bears the tuition fees (registration fees, textbook fees)

Internal Referral Mechanism

To broaden talent acquisition channels, the Company has established an internal referral reward program to encourage employees to refer outstanding talents. The referrer is entitled to a corresponding reward once the referred candidate successfully passes the probation period and becomes a regular employee. Internal referrals adhere to the principles of relative avoidance and honest disclosure, ensuring the standardization and effectiveness of talent acquisition.

University-Enterprise Collaborative Talent Development Mechanism

The Company actively expands university-enterprise cooperation channels. Since 2018, it has successively established long-term and stable internship partnerships with Jiangnan University, Northwest Normal University, Suzhou Vocational Health College, and Jiangsu Vocational College of Medicine, recruiting a total of 104 interns over the past three years. The Company signs an internship agreement with each intern, clarifying job responsibilities, compensation and benefits, as well as the rights and responsibilities of both parties. It also provides necessary labor protection supplies, purchases commercial insurance, and conducts pre-job safety education and skills training. Outstanding interns will be given priority in employment, facilitating resource complementarity and mutual development between universities and the Company.

Training and Development Support

The Company advocates lifelong learning and provides systematic training support for employees:

New Employee Training: Onboarding, job skills training, and corporate culture integration

On-the-Job Training: Professional skills training, management competency development,and industry frontier sharing

External Training: Employees approved to attend external training shall file their certificates upon completion and conduct internal sharing sessions

Education Funding: Employees who take work-related courses in their spare time may apply for education funding in accordance with regulations

Case **Legal Education Builds Defenses, Compliance Drives Growth — CF PHARMTECH Legal Education Month Successfully Held**

The Company specially invited He Junqiang, Deputy Chief Prosecutor of the District Procuratorate, to serve as a legal mentor. With the theme "Preventing Criminal Legal Risks and Boosting Corporate Compliance", he analyzed job-related crime risks in key areas including procurement, marketing, and finance based on real cases, and explained criminal case handling procedures. This further strengthened employees' legal awareness and compliance philosophy, laying a solid legal foundation for the steady and sustained development of the Company.

Legal Education for All Employees

Case **CF PHARMTECH's Practice of Upgrading Its New Employee Onboarding Model**

In 2025, the Company optimized and upgraded its traditional training model, with a key focus on fully transitioning its new employee onboarding from offline to online. By recording a series of standardized courses, the Company has built an online training resource library covering corporate culture, policies and procedures, and safety guidelines. On the first day of joining, the system automatically pushes a personalized learning plan to new employees. They can complete self-directed learning anytime and anywhere via PC or mobile devices, truly realizing "learning from joining day, flexible and efficient". This model effectively shortens training cycle, improves training efficiency, enables employees to review and consolidate their learning repeatedly as needed, helps new employees quickly master the required knowledge and skills, and provides a solid guarantee for their smooth integration into the team and rapid readiness for their roles.

Through continuous improvement of the above career development system, the Company is committed to providing all employees with fair, diverse, and sustainable growth opportunities, enabling them to continuously enhance their personal value while contributing to the Company's development.

CF PHARMTECH's Employee Career Development Performance

Indicator	Unit	2023	2024	2025
Total Training Investment	RMB 10,000	30.97	32.13	28
Average Training Hours per Employee	Hour(s)	55.48	56.74	61.83
Percentage of Male Employees Trained	%	92.58	94.91	95.2
Percentage of Female Employees Trained	%	91.62	93.13	93.31
Percentage of Senior Management Trained	%	76.92	84.62	100
Percentage of Middle Management Trained	%	83.33	88.71	87.93
Percentage of Other Employees Trained	%	93.31	94.68	94.73
Average Training Hours of Male Employees	Hour(s)	55.99	48.87	61.38
Average Training Hours of Female Employees	Hour(s)	56.77	59.85	62.23
Average Training Hours of Senior Management	Hour(s)	46.2	49.2	55.2
Average Training Hours of Middle Management	Hour(s)	41.28	42.6	43.92
Average Training Hours of Other Employees	Hour(s)	58.2	61.44	63.96

Employee Health and Safety

System Development

The Company has established an occupational health and safety management system covering all employees, formulated and implemented the Employee Health Management Procedure and a series of supporting safety protocols, encompassing all operational sites including R&D, manufacturing, and offices. In light of the characteristics of the inhalation preparation industry, we have developed specific safety procedures for managing high-risk materials (such as APIs and organic solvents) and special operational activities, and established dedicated safety management positions responsible for supervision and implementation. The Company regularly holds safety meetings and conducts on-site inspections to ensure the effective implementation of all systems. Currently, the Company has obtained Occupational Health and Safety Management System certification (compliant with ISO 45001 standard), and its management system meets the international regulatory requirements for the pharmaceutical industry.


OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

Occupational Health and Safety Management System Certification

Employee Health and Safety Risk Identification and Assessment

The Company systematically identifies occupational health and safety risks in its production and operations, with a focus on chemical hazards (such as API dust and solvent volatilization), physical hazards (such as noise and clean room pressure differentials), and ergonomic risks associated with the development and manufacturing of inhalation preparations. Based on standards including the Occupational Exposure Limits for Hazardous Agents in the Workplace (GBZ 2.1), the Company regularly monitors and assesses occupational hazards in the workplace and conducts specialized risk assessments for high-risk positions. For new construction, reconstruction and expansion projects, the Company strictly implements the "three simultaneities" requirement for occupational disease protection facilities to control risks at source.

Employee Health and Safety Protection Measures

Safety Training and Culture: The Company routinely conducts onboarding safety training, job-specific training, and annual retraining to enhance employees' safety awareness and operational skills. The Company continuously fosters a "safety first" corporate culture through activities such as Safety Month campaigns and case sharing sessions.

Incident Prevention and Emergency Response: The Company has established a proactively preventive safety management system, equipped with comprehensive emergency facilities and supplies, and regularly conducts emergency drills for scenarios including chemical spills and fire emergency response. For all high-risk operations, the Company strictly implements a work permit system to ensure that control measures are fully implemented.

Incident Reporting and Improvement: The Company has established a comprehensive accident reporting system, clarifying incident classification, reporting requirements, as well as investigation and handling procedures. The Company promptly and effectively handles any incidents, implements corrective and preventive measures through root cause analysis, and integrates lessons learned into safety protocol updates to prevent the recurrence of similar incidents.

Health Surveillance and Environmental Control: In accordance with the Technical Specifications for Occupational Health Surveillance, the Company regularly organizes pre-job, on-the-job, and post-job occupational health examinations for employees, establishing a "one person, one file" health surveillance record for each employee. The Company conducts daily monitoring and regular testing in production workshops, laboratories and other premises to ensure that hazardous factors such as dust, chemical toxicants and noise comply with national standards.

Case Employee Health and Safety Training

Each year, the Company systematically conducts employee health and safety training in accordance with national regulations, government requirements, and internal management needs. Training programs cover new employee onboarding, team leader and management training, quarterly leadership sessions, and specialized training on mechanical safety and chemical safety. Through a structured and tiered training system, the Company continuously enhances employees' safety awareness and management capabilities, strengthening the foundation of occupational health and safety management.

employee health and safety training

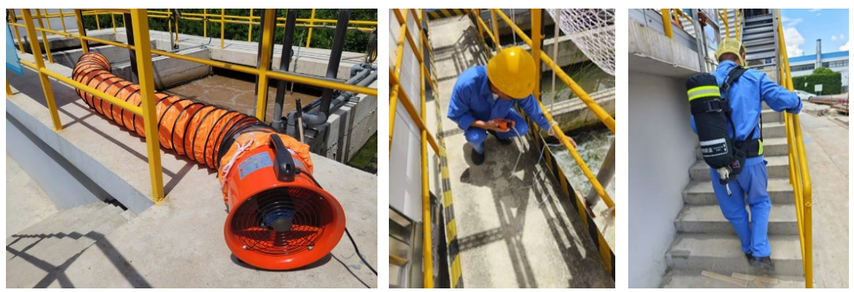
Case **Emergency Response Drill for Work Safety**

At 9:00 a.m. on January 3, 2025, the Company organized a fire evacuation emergency drill, including hands-on fire escape exercises. The drill simulated real fire scenarios, helping employees master proper emergency response and evacuation techniques, enhance safety awareness, and improve their ability to respond to emergencies, thereby reinforcing the Company's fire safety framework.

Emergency Response Drill for Work Safety

Case **Safety Drill**

At 10:00 a.m. on July 22, 2025, the Utilities Department and the EHS Department jointly organized a confined space emergency drill, with participation from personnel at the wastewater treatment station and related positions. Prior to the drill, detailed explanations were provided regarding procedures, steps, and precautions, with clear clarification of roles and coordination requirements, emphasizing the importance of the exercise. Through practical simulation, the drill enhanced employees' understanding of confined space risks and emergency response capabilities, further strengthening the implementation of the Company's occupational health and safety management system.



Safety Drill

CF PHARMTECH's Performance

Indicator	Unit	2023	2024	2025
Employee Physical Examination Coverage Rate	%	100	100	100
Investment in Work Injury Insurance and Work Safety Liability Insurance	10,000RMB	39.73	54.28	47.59
Investment in and Personnel Coverage Rate of Work Injury Insurance and Work Safety Liability Insurance	%	100	100	100
Total Training Hours on Work Safety	Hour(s)	940	1,254	1,128
Work Safety Trainings	Time(s)	22	39	42
Safety Education and Training Coverage Rate	%	100	100	100
Safety Drills	Time(s)	5	9	9
Safety Emergency Drills Conducted	Time(s)	2	2	3
Major Work Safety Responsibility Incidents	Case(s)	0	0	0
Number of Work-Related Fatalities Over the Past Three Years (Including the Reporting Year)	Person(s)	0	0	0
Lost time injury rate	%	0	0	0.07

Appendix

Key Performance Indicators

Economic indicators

Indicator	Unit	2023	2024	2025
Total assets	thousand RMB	1,135,145.00	1,259,026.00	1,776,263.00
Total operating revenue	thousand RMB	556,421.00	607,752.00	432,521.00
Net profit attributable to shareholders of listed companies	thousand RMB	31,726.00	21,088.00	2,485.00

Management indicators

Indicator	Unit	2023	2024	2025
General Meetings of Shareholders Convened	Time(s)	3	2	2
Proposals Reviewed at the General Meetings of Shareholders	Item(s)	30	29	14
Extraordinary General Meeting of Shareholders Convened	Time(s)	2	1	1
Proposals Reviewed at the Extraordinary General Meetings of Shareholders	Item(s)	21	19	3
Meetings of the Board of the Directors Convened	Time(s)	6	3	6
Proposals Reviewed at the Meetings of the Board of the Directors	Item(s)	59	42	26
Meetings of the Board of the Supervisors Convened	Time(s)	6	3	1
Proposals Reviewed at the Meetings of the Board of the Supervisors	Item(s)	20	15	9
Number of board members	Person(s)	11	11	11
Number of male directors	Person(s)	8	8	8
Number of female directors	Person(s)	3	3	3
Number of executive directors	Person(s)	4	4	4
Number of non-executive directors	Person(s)	3	3	3
Number of independent non-executive directors	Person(s)	4	4	4
Annual Announcements Released	Copy/Copies	N/A	N/A	1
Performance Briefings	Session(s)	N/A	N/A	1
Total number of executive directors who have completed anti-commercial bribery and anti-corruption training	Person(s)	4	4	4
Percentage of executive directors who have completed anti-commercial bribery and anti-corruption training	%	100	100	100
Total number of management personnel who have completed anti-commercial bribery and anti-corruption training	Person(s)	5	5	5
Percentage of management personnel who have completed anti-commercial bribery and anti-corruption training	%	100	100	100
Total number of employees who have completed anti-commercial bribery and anti-corruption training	Person(s)	83	180	210
Percentage of employees who have completed anti-commercial bribery and anti-corruption training	%	13	30	41
Average training duration per employee on anti-commercial bribery and anti-corruption	Hour(s)	1	4	6
Filed corruption lawsuits	Case(s)	0	0	0
Unfair competition acts that have occurred	Case(s)	0	0	0
Customer information or privacy leakage incidents	Case(s)	0	0	0

Social indicators

Indicator	Unit	2023	2024	2025
Product First-Pass Yield	%	100	100	100
Major Safety Incident	Incident(s)	0	0	0
Number of Customer Complaints	Time(s)	3	4	17
Customer Complaint Response Rate	%	100	100	100
Product Recall Incident	Incident(s)	0	0	0
Responsible Marketing Training Coverage Rate	%	100	100	100
Marketing Materials Compliance Review Pass Rate	%	100	100	100
Marketing Compliance Incident	Case(s)	0	0	0
The Company's cumulative valid patents	Number	35	53	65
Cumulative invention patents	Number	11	13	19
Patent applications filed in the current year	Number	51	42	23
Invention patent applications filed in the current year	Number	28	19	11
Patents granted in the current year	Number	8	18	15
Invention patents granted in the current year	Number	2	2	6
R&D investment amount	RMB 1,000	132,788.00	121,849.00	124,549.00
R&D expenditure as a percentage of core business revenue	%	23.86	20.05	28.80
Number of R&D personnel	Person(s)	182	189	174
R&D staff as a percentage of total employees	%	28.39	29.58	30.85
Suppliers in Mainland China	Number	63	67	87
Overseas suppliers	Number	16	10	18
Suppliers from Hong Kong, Macao, and Taiwan	Number	0	0	0

Indicator	Unit	2023	2024	2025
Suppliers with Environmental Management System Certificates	Number	14	23	23
Suppliers with Occupational Health and Safety Management System Certificates	Number	8	11	11
Suppliers with Quality Management System Certificates	Number	21	34	34
Supplier Trainings	Time(s)	12	9	29
Cumulative social donation amount	RMB 10,000	/	/	473
By gender				
Male	Person(s)	283	275	250
Female	Person(s)	358	364	314
By Employment Type				
Full-time	Person(s)	610	605	540
Internship	Person(s)	31	34	24
By age				
25 and below	Person(s)	194	179	110
25-35	Person(s)	262	263	248
35-45	Person(s)	157	165	168
45 and above	Person(s)	28	32	38
By region				
Hong Kong, Macao, and Taiwan Employees	Person(s)	1	1	3
Overseas employees	Person(s)	5	5	5
Employees in Mainland China	Person(s)	635	633	556
Total	Person(s)	641	639	564

Indicator	Unit	2023	2024	2025
By gender				
Male Employee Turnover Rate	%	7.43	10.3	11.73
Female Employee Turnover Rate	%	10	7.45	11.16
By age				
Turnover Rate for Employees Aged 25 and Below	%	8.38	5.96	7.73
Turnover Rate for Employees Aged 25-35	%	7.16	7.45	11.3
Turnover Rate for Employees Aged 35-45	%	1.89	3.12	2.86
Turnover Rate for Employees Aged 45 and Above	%	0	1.22	1
By region				
Hong Kong, Macao, and Taiwan Employee Turnover Rate	%	0	0	0
Overseas Employee Turnover Rate	%	0	0	0
Mainland China Employee Turnover Rate	%	17.43	17.75	22.89
Total Employee Turnover Rate	%	17.43	17.75	22.89
Labor Contract Signing Rate	%	100	100	100
Social Insurance Coverage Rate	%	100	100	100
Employee Compensation Coverage Rate	%	100	100	100
Average paid leave hours per employee	Hour(s)	86	95	100
Labor Dispute Resolution Rate	%	100	100	100
Total Training Investment	RMB 10,000	30.97	32.13	28
Average Training Hours per Employee	Hour(s)	55.48	56.74	61.83
Percentage of Male Employees Trained	%	92.58	94.91	95.2
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Average Training Hours of Middle Management	Hour(s)	41.28	42.6	43.92
Average Training Hours of Other Employees	Hour(s)	58.2	61.44	63.96
Employee Physical Examination Coverage Rate	%	100	100	100
Investment in Work Injury Insurance and Work Safety Liability Insurance	RMB 10,000	39.73	54.28	47.59
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Total Training Hours on Work Safety	Hour(s)	940	1,254	1,128
Work Safety Trainings	Time(s)	22	39	42
Safety Education and Training Coverage Rate	%	100	100	100
Safety Drills	Time(s)	5	9	9
Safety Emergency Drills Conducted	Time(s)	2	2	3
Major Work Safety Responsibility Incidents	Case(s)	0	0	0
Number of Work-Related Fatalities Over the Past Three Years (Including the Reporting Year)	Person(s)	0	0	0
Lost time injury rate	%	0	0	0.06

Environmental indicators

Indicator	Unit	2023	2024	2025
Sudden environmental emergency incidents	Case(s)	0	0	0
Scope 1 emissions	tCO_2e	30	30	81.08
Scope 2 emissions	tCO_2e	9,348.00	9,007.00	12,855.74
Total Greenhouse Gas Emissions	tCO_2e	9,378.30	9,036.00	12,936.82
Greenhouse gas emission intensity	CO_2e /10,000 CNY revenue	0.17	0.15	0.30
Purchased Electricity	GWh	7.50	7.80	12.03
Purchased Steam	GJ	34,654.47	40,645.78	51,313.80
Gasoline	L	10,776.00	16,758.06	21,452.00
Diesel	L	2,342.00	2,348.26	3,262.00
natural gas	10,000 Nm^3	47.25	0	0
Total energy consumption	tce	2,122.91	2,366.36	3,256.97
Energy consumption intensity	tce/Million CNY revenue	3.82	3.89	7.53
Total Packaging Materials Used for Finished Products	t	1,073.33	1,370.05	811.36
Total Reused Packaging Materials	t	N/A	N/A	N/A
Proportion of Reused Packaging Materials	%	N/A	N/A	N/A
Total water consumption	10,000 t	8.70	4.16	5.25
Water consumption intensity	t/10,000 CNY revenue	1.56	0.68	1.21
Recycled Water Usage	t	8,131.00	7,387.00	7,393.00
Proportion of Recycled Water	%	9.35	17.75	14.08
Domestic Wastewater Volume	t	40,727.00	50,973.00	49,592.00
BOD_5	t	0.9	0.8	0.1
COD	t	3	3	0.6

Indicator	Unit	2023	2024	2025
Total Nitrogen	t	0.3	0.3	0.1
Ammonia nitrogen	t	0.2	0.2	0.1
Total Phosphorus	t	0.03	0.03	0.01
Total wastewater discharge	t	40,727.00	50,973.00	49,592.00
Wastewater discharge intensity	t/RMB 10,000 revenue	0.73	0.84	1.15
Non-methane Total Hydrocarbon	t	0.057	0.0616	0.0905
Total waste gas emissions	10,000m^3	3,115.80	3,384.00	3,121.20
Waste Gas Emission Intensity	m^3/ CNY revenue	0.056	0.056	0.072
Hazardous wastes	t	50	74	70.4
Hazardous waste generation intensity	t/Million CNY revenue	0.09	0.12	0.16
Non-hazardous wastes	t	76	103	75.75
Non-hazardous waste generation intensity	t/Million CNY revenue	0.14	0.17	0.18

Index of indicator

HKEX ESG Indicators Index

Subject Areas	Aspect	Indicator	Section in this report
Mandatory Disclosure Requirements			
Governance Structure		A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Chairman's Statement
Reporting Principles		A description of, or an explanation of, the application of the following Reporting Principles in the preparation of the ESG Report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report
Reporting Boundary		A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Subject Areas	Aspect	Indicator	Section in this report
"Comply or Explain" Provisions			
Environmental Aspect	A1 Emissions	General Disclosure: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Management
		A1.1 Types of emissions and relevant emission data.	Key Performance Indicators
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
		A1.5 Description of emissions target(s) set and the steps taken to achieve these targets.	Emissions Management
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	Emissions Management
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Management and Circular Economy
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (KWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
		A2.2 Total water consumption and density (e.g., per unit of output or per facility).	Key Performance Indicators
		A2.3 Describe the established energy efficiency targets and the steps taken to achieve them.	Energy Management and Circular Economy
		A2.4 Describes any potential issues in identifying suitable water sources, the established water use efficiency targets, and the steps taken to achieve these objectives.	Water Management
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Energy Management and Circular Economy

Subject Areas	Aspect	Indicator	Section in this report
Environmental Aspect	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental and Ecological Protection
		A3.1 Describes the significant impact of business activities on the environment and natural resources, as well as the actions taken to manage these impacts.	Environmental and Ecological Protection
Social Aspect	B1 Employment	General Disclosure: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protection on Employee Rights and Interests
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Performance Indicators
		B1.2 Employee turnover rate categorized by gender, age group, and region.	Key Performance Indicators
	B2 Health and Safety	General Disclosure: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Health and Safety
		B2.1 Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	Key Performance Indicators
		B2.2 Lost days due to work injury.	Key Performance Indicators
		B2.3 Describe the occupational health and safety measures adopted, along with the corresponding implementation and monitoring methods.	Employee Health and Safety
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Career Development
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators
		B3.2 The average training hours completed per employee by gender and employee category.	Key Performance Indicators
	B4 Labour Standards	General disclosure: On preventing child labour or forced labour: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Protection on Employee Rights and Interests
		B4.1 Describe measures to review recruitment practices to avoid child labor and forced labor.	Protection on Employee Rights and Interests
		B4.2 Describes the steps taken to eliminate the relevant situation upon identifying violations.	Protection on Employee Rights and Interests
	B5 Supply Chain Management	General disclosure Manage environmental and social risk policies for supply chains.	Supply Chain Management
		B5.1 Number of suppliers categorized by region.	Key Performance Indicators
		B5.2 Describes the practices for engaging suppliers, specifying the number of suppliers subject to these practices, along with the methods for implementation and monitoring.	Supply Chain Management
		B5.3 Describes the practices for identifying environmental and social risks at each link of the supply chain, along with relevant implementation and monitoring methods.	Supply Chain Management
		B5.4 Describes the practices that encourage the use of environmentally friendly products and services during supplier selection, along with corresponding implementation and monitoring methods.	Supply Chain Management
	B6 Product Responsibility	General disclosure: Regarding health and safety, advertising, labeling and privacy matters, as well as remedies for the products and services provided: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Product and Service Safety and Quality

Subject Areas	Aspect	Indicator	Section in this report
Social Aspect	B6 Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key Performance Indicators
		B6.2 Receive the number of complaints regarding products and services and the response measures taken.	Product and Service Safety and Quality
		B6.3 Describes practices related to the description, maintenance, and protection of intellectual property rights.	Innovation-Driven Development
		B6.4 Describes the quality control process and product recovery procedure.	Product and Service Safety and Quality
		B6.5 Describes the consumer data protection and privacy policy, along with relevant implementation and monitoring methods.	Product and Service Safety and Quality
	B7 Anti-Corruption	General Disclosure: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
		B7.1 The number of corruption litigation cases filed against the issuer or its employees during the reporting period and the outcomes of such cases that have been adjudicated.	Key Performance Indicators
		B7.2 Describes preventive measures and reporting procedures, as well as relevant implementation and monitoring methods.	Business Ethics
		B7.3 Describe anti-corruption training provided to directors and employees.	Key Performance Indicators
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment and Philanthropy
		B8.1 Scope of focused contributions (e.g., education, environmental issues, labor needs, health, culture, sports).	Community Investment and Philanthropy
		B8.2 Resources allocated within the focus area (e.g., financial or time resources).	Key Performance Indicators

Climate-related Disclosures

Climate-related Disclosures

Governance	Governance	EClimate Change Response
Strategy	Climate-related risks and opportunities	Climate Change Response
	Business Model and Value Chain	Climate Change Response
	Strategy and Decision Making	Climate Change Response
	Financial condition, financial perforance,and cash flow	Plan to make supplementary disclosures in future years.
	Climate resilience	Plan to make supplementary disclosures in future years.
Risk Management	Risk Management	Climate Change Response
Metrics and Targets	Greenhouse gas emissions	Key Performance Indicators
	Climate-related transition risks	Climate Change Response
	Climate-related physical risks	Climate Change Response
	Climate-related opportunities	Climate Change Response
	Capital deployment	Climate Change Response
	Internal carbon prices	Not applicable (the Company has not yet implemented an internal carbon pricing mechanism).
	Remuneration	Corporate Governance
	Industry-based metrics	Climate Change Response
	Climate-related targets	Climate Change Response
	Applicability of cross-industry metrics and industry-based metrics	Climate Change Response

GRI Index

Instructions

CF PharmTech reported the information referenced in this GRI content index in accordance with GRI standards from January 1, 2025 to December 31,2025.

GRI 1 used

GRI 1: Foundation 2021

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
GRI 2: General Disclosure 2021		
Organizations and Their Reporting Practices		
2-1	Organization Details	ESG Governance
2-2	Entities Included in the Organisation's Sustainability Reporting	About This Report
2-3	Reporting Period, Reporting Frequency and Contact	About This Report
2-4	Restatements of Information	Not applicable
2-5	External Assurance	Not applicable
Activities and Workers		
2-6	Activities, Value Chain and Other Business Relationships	Approaching CF PHARMTECH
2-7	Employees	Protection on Employee Rights and Interests | Employee Career Development | Employee Health and Safety
2-8	Workers outside the employee category	Protection on Employee Rights and Interests
管治	Governance	
2-9	Governance Structure and Composition	ESG Governance
2-10	Nomination and Selection of the Supreme Governance Bodyt	Refer to the Annual Report for details
2-11	Chairperson of the highest governing body	Refer to the Annual Report for details
2-12	Overseeing the Role of the Highest Governance Body in the Management of Impacts	Refer to the Annual Report for details
2-13	Delegation of Responsibility for Managing Impacts	Refer to the Annual Report for details
2-14	Highest Governance Body's Role in Sustainability Reporting	ESG Governance
2-15	Conflict of Interest	Refer to the Annual Report for details
2-16	Communicating Critical Concerns	Stakeholder Communication
2-17	Collective Knowledge of the Highest Governance Body	Refer to the Annual Report for details
2-18	Evaluation of the Performance of the Highest Governance Body	Refer to the Annual Report for details
2-19	Remuneration Policies	ESG Governance
2-20	Process to Determine Remuneration	Protection on Employee Rights and Interests
2-21	Annual Total Compensation Ratio	Omitted due to confidentiality requirements
Strategy, Policy and Practice		
2-22	Statement on Sustainable Development Strategy	ESG Governance
2-23	Policy Commitments	Refer to the governance sections for each topic in this report
2-24	Embedding Policy Commitments	Refer to the governance sections for each topic in this report
2-25	Processes to Remediate Negative Impacts	Risk Management
2-26	Mechanisms for Seeking Advice and Raising Concerns	Stakeholder Communication
2-27	Compliance with Laws and Regulations	Refer to the governance sections for each topic in this report
2-28	Association Membership Qualifications	Not applicable

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
Stakeholder engagement		
2-29	Method of stakeholder participation	Stakeholder Communication
2-30	Collective Bargaining Agreement	Protection on Employee Rights and Interests
GRI 3: Material Topics 2021		
3-1	Process to Determine Material Topics	Materiality Analysis
3-2	List of Material Topics	Materiality Analysis
3-3	Management of Material Topics	Materiality Analysis
Economy		
GRI 201: Economic Performance 2016		
201-1	Directly Generated and Distributed Economic Value	Key Performance Indicators
201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	Climate Change Response
201-3	Defined Benefit Plan Obligations and Other Retirement Plans	Protection on Employee Rights and Interests
201-4	Government-provided Financial Subsidies	Omitted due to confidentiality requirements
GRI 202: Market Performance 2016		
202-1	The Ratio of Gender-based Standard Starting Salary to the Local Minimum Wage	Omitted due to confidentiality requirements
202-2	Proportion of Executives Employed From Local Communities	Omitted due to confidentiality requirements
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure Investment and Support Services	Product and Service Safety and Quality
203-2	Significant Indirect Economic Impact	Product and Service Safety and Quality

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
GRI 204: Procurement Practices 2016		
204-1	Proportion of Expenditures on Purchases From Local Suppliers	Omitted due to confidentiality requirements
GRI 205: Anti-Corruption 2016		
205-1	Operations Assessed for Risks Related to Corruption	Business Ethics
205-2	Communication and Training on Anti-Corruption Policies and Procedures	Business Ethics
205-3	Confirmed Incidents of Corruption and Actions Taken	Business Ethics
GRI 206: Unfair Competition 2016		
206-1	Legal Litigation Against Unfair Competition, Anti-trust, and Anti-monopoly Practices	Business Ethics
GRI 207: Tax 2019		
207-1	Tax Policy	Not yet disclosed
207-2	Tax Governance, Control, and Risk Management	Not yet disclosed
207-3	Stakeholder Engagement and Management Related to Tax Concerns	Not yet disclosed
Environmental Aspect		
GRI 102: Climate Change 2025		
101-1	Policies to Halt and Reverse Biodiversity Loss	Environmental and Ecological Protection
101-2	Biodiversity Impact Management	Environmental and Ecological Protection
101-3	Access and Benefit Sharing	Environmental and Ecological Protection
101-4	Biodiversity Impact Identification	Environmental and Ecological Protection
101-5	Biodiversity Impact Sites	Environmental and Ecological Protection

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
101-6	Direct Drivers of Biodiversity Loss	Environmental and Ecological Protection
101-7	Trends in Biodiversity	Environmental and Ecological Protection
101-8	Ecosystem Services	Environmental and Ecological Protection
GRI 102: Climate Change 2025		
102-1	Transformation Plan to Mitigate Climate Change	Climate Change Response
102-2	Climate Change Adaptation Program	Climate Change Response
102-3	Fair Transition	Climate Change Response
102-4	Greenhouse Gas Emission Reduction Targets and Progress	Climate Change Response
102-5	Scope 1 Greenhouse Gas Emissions	Key Performance Indicators
102-6	Scope 2 Greenhouse Gas Emissions	Key Performance Indicators
102-7	Scope 3 Greenhouse Gas Emissions	To be disclosed in future years
102-8	Greenhouse Gas Emission Intensity	Key Performance Indicators
102-9	Greenhouse Gas Removal in the Value Chain	Climate Change Response
102-10	Carbon Credit	Not applicable
GRI 301: Material 2016		
301-1	Weight or Volume of Materials Used	Energy Management and Circular Economy
301-2	Recycled Feedstock Used	Energy Management and Circular Economy
301-3	Reproduced Products and Their Packaging Materials	Energy Management and Circular Economy

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
GRI 302: Energy 2016		
302-1	Energy Consumption within the Organization	Key Performance Indicators
302-2	Energy Consumption of the Organization	Key Performance Indicators
302-3	Energy intensity	Key Performance Indicators
302-4	Reduction of Energy Consumption	Energy Management and Circular Economy
302-5	Reduce Energy Consumption for Products and Services	Energy Management and Circular Economy
GRI 303: Water Resources and Sewage 2018		
303-1	Interactions between Tissues and Water as Shared Resources	Water Management
303-2	Management and Drainage-related Impacts	Emissions Management
303-3	Water Intake	Water Management
303-4	Drainage	Emissions Management
303-5	Water Consumption	Emissions Management
GRI 304: Biodiversity 2016		
304-1	The organization owns, leases, and manages operational sites located within or adjacent to protected areas and biodiversity-rich regions outside protected areas.	Environmental and Ecological Protection
304-2	Significant Impacts of Activities, Products, and Services on Biodiversity	Environmental and Ecological Protection
304-3	Protected or Restored Habitat	Environmental and Ecological Protection
304-4	Species listed in the IUCN Red List and National Protected Species Lists that have been affected by operational impacts in their habitats	Environmental and Ecological Protection
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) Greenhouse Gas Emissions	Key Performance Indicators

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
305-2	Energy Indirect (Scope 2) GHG Emissions	Key Performance Indicators
305-3	Other Indirect (Scope 3) GHG Emissions	To be disclosed in future years
305-4	Greenhouse Gas Emission Intensity	Key Performance Indicators
305-5	Greenhouse Gas Emission Reduction	Key Performance Indicators
305-6	Emissions of Ozone-depleting Substances (ODS)	Emissions Management
305-7	Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Other Significant Air Emissions	Emissions Management
GRI 306: Effluents and Waste 2020		
306-1	Waste Generation and Significant Waste-related Impacts	Emissions Management
306-2	Waste by Type and Disposal Method	Emissions Management
306-3	Significant Spills	Emissions Management
306-4	From the disposal of transferred waste	Emissions Management
306-5	Waste subject to disposal	Emissions Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New Suppliers That Were Screened Using Environmental Criteria	Supply Chain Management
308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	Supply Chain Management
Social Aspect		
GRI 401: Employment 2016		
401-1	New Employee Hires and Employee Turnover	Protection on Employee Rights and Interests
401-2	Benefits Provided to Full-time Employees That Are Not Provided to Temporary or Part-time Employees	Protection on Employee Rights and Interests
401-3	Parental Leave	Protection on Employee Rights and Interests

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
GRI 402: Labor Relations 2016		
402-1	Minimum Notice Period for Operational Changes	Protection on Employee Rights and Interests
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational Health and Safety Management System	Employee Health and Safety
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Employee Health and Safety
403-3	Occupational Health Services	Employee Health and Safety
403-4	Occupational Health and Safety Affairs: Worker Participation, Consultation, and Communication	Employee Health and Safety
403-5	Occupational Health and Safety Training for Workers	Employee Health and Safety
403-6	Promoting Worker Health	Employee Health and Safety
403-7	Prevention and Mitigation of Occupational Health and Safety Related to Business Relationships	Employee Health and Safety
403-8	Workers Covered by an Occupational Health and Safety System	Employee Health and Safety
403-9	Work-related Injuries	Employee Health and Safety
403-10	Work-related Health Issues	Employee Health and Safety
GRI 404: Training and Education 2016		
404-1	Average Hours per Employee per Year	Key Performance Indicators
404-2	Programmes for Upgrading Employee Skills and Transition Assistance Programmes	Employee Career Development
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	Employee Career Development
GRI 405: Diversity and Equal Opportunities 2016		
405-1	Diversity of Governance Institutions and Employees	Protection on Employee Rights and Interests
405-2	Ratio of Basic Salary and Remuneration of Women to Men	Protection on Employee Rights and Interests
GRI 406: Anti-Discrimination 2016		
406-1	Incidents of Discrimination and Corrective Actions Taken	Protection on Employee Rights and Interests

Disclosure Topics/ Disclosure Items	Disclosure Title	Relevant Section(s)
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operational sites and suppliers where the right to freedom of association and collective bargaining rights may be at risk	Protection on Employee Rights and Interests
GRI 408: Child Labour 2016		
408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	Protection on Employee Rights and Interests
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	Protection on Employee Rights and Interests
GRI 410: Security Practices 2016		
410-1	Security personnel who have received training in human rights policies or procedures	Protection on Employee Rights and Interests
GRI 413: Local Community 2016		
413-1	Operational sites with local community participation, impact assessment, and development programs	Community Investment and Philanthropy
413-2	Operating sites that have actual or potential significant negative impacts on the local community	Community Investment and Philanthropy
GRI 414: Supplier Social Assessment 2016		
414-1	New Suppliers That Were Screened Using Social Criteria	Supply Chain Management
414-2	Negative Social Impacts in the Supply Chain and Actions Taken	Supply Chain Management
GRI 415: Public Policy 2016		
415-1	Political Contributions	Not applicable
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	Product and Service Safety and Quality
416-2	Non-compliant Events Involving the Health and Safety Impact of Products and Services	Product and Service Safety and Quality
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for Product and Service Information and Labelling	Product and Service Safety and Quality
417-2	Incidents of Non-compliance Concerning Product and Service Information and Labelling	Product and Service Safety and Quality
417-3	Incidents of Non-compliance Concerning Marketing Communications	Product and Service Safety and Quality
GRI 418: Customer Privacy 2016		
418-1	Confirmed Complaint Related to the Violation of Customer Privacy and Loss of Customer Data	Data Security and Customer Privacy Protection

Feedback Form

Thank you for reading our 2025 Environmental, Social, and Governance Report.To provide you and other stakeholders with more professional and valuable sustainability information, we kindly ask you to complete the relevant questions in the feedback form. Your input will help us further enhance our sustainability management in the future.

Please rate the following questions on a scale of 1 to 5 (1 being the lowest score and 5 the highest).

1. Your overall evaluation of this report:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

2.Do you believe this report can reflect the significant economic impact of CF PHARMTECH?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

3.Do you believe this report adequately reflects CF PHARMTECH's significant environmental impact?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

4.Do you believe this report can reflect the significant societal impact of CF PHARMTECH?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

5.Do you believe this report adequately reflects the corporate governance practices of CF PHARMTECH?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

6.Your overall assessment of the information disclosure level in this report:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

7.Your overall assessment of the quality of written expression in this report:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

8.Your overall assessment of the report's design style:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

9.Which topics in this report have drawn your most attention?

_____

10.Do you have any other comments or suggestions regarding this report?

_____

Your contact information:

Name:_____ Workplace:_____

Phone:_____ Title: _____

Email: _____ Fax number: _____