2025 Sustainability Report

Joincare Pharmaceutical Group Industry Co., Ltd.

健康元 Joincare | Stock Short Name：健康元
Stock Code：600380

About this Report

Overview

The Joincare 2025 Sustainability Report (hereinafter referred to as "this Report") is the ninth sustainability report issued by Joincare Pharmaceutical Group Industry Co., Ltd. (reports from 2017-2023 were titled Corporate Social Responsibility Reports). It aims to provide stakeholders with a comprehensive overview of the Group's commitments, initiatives, and performance in social responsibility, environmental sustainability management, and corporate governance from a more professional perspective.

The report covers the period from 1 January 2025 to 31 December 2025. In view of the continuity and comparability of certain data, some contents of this report may be extended or traced back to other periods where applicable.

Scope of the Report

The report covers Joincare and its wholly-owned subsidiaries and holding subsidiaries, which is consistent with the scope of the consolidated financial statements in the annual report.

Reporting Basis

The Report is prepared primarily in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the *Basic Rules for Corporate Sustainability Disclosure (Trial), while also referencing the Environmental, Social, and Governance Reporting Code* issued by the Hong Kong Stock Exchange (HKEX).

The content of the Report is compiled through a systematic process to ensure its integrity, materiality, authenticity, and balance. The specific process includes identifying key stakeholders, identifying and prioritizing material issues, determining the reporting boundaries, collecting relevant materials and data, reviewing the data, and compiling the Report based on the gathered information.

Definitions

For ease of expression and reading, unless otherwise specified, terms such as "Joincare," "the Group," or "we" in this Report refer to Joincare Pharmaceutical Group Industry Co., Ltd. and its wholly-owned and holding subsidiaries. This Report involves multiple subsidiaries of Joincare. For brevity, their abbreviations are used as follows:

Full Name	Abbreviation
Shenzhen Haibin Pharmaceutical Co., Ltd.	Haibin Pharma
Xinxiang Haibin Pharmaceutical Co., Ltd.	Xinxiang Haibin
Shenzhen Taitai Pharmaceutical Co., Ltd.	Taitai Pharmaceutical
Jiaozuo Joincare Bio Technological Co., Ltd.	Jiaozuo Joincare
Joincare Haibin Pharmaceutical Co., Ltd.	Joincare Haibin
Livzon Pharmaceutical Group Inc.	Livzon Group
Sichuan Guangda Pharmaceutical Manufacturing Co., Ltd.	Sichuan Guangda
Shanghai Livzon Pharmaceutical Manufacturing Co., Ltd.	Shanghai Livzon
Livzon Group Livzon Pharmaceutical Factory	Livzon Pharmaceutical Factory
Livzon Group Limin Pharmaceutical Manufacturing Factory	Livzon Limin
Zhuhai Livzon Diagnostics Inc.	Livzon Diagnostics
LivzonBio, Inc.	LivzonBio
Zhuhai Livzon Microsphere Technology Co., Ltd.	Livzon Microsphere
Livzon Group Xinbeijiang Pharmaceutical Manufacturing Inc.	Livzon Xinbeijiang
Gutian Fuxing Pharmaceutical Co., Ltd.	Gutian Fuxing
Jiaozuo Livzon Hecheng Pharmaceutical Manufacturing Co., Ltd.	Jiaozuo Hecheng
Livzon Group Ningxia Pharmaceutical Manufacturing Co., Ltd.	Ningxia Pharmaceutical
Zhuhai FTZ Livzon Hecheng Pharmaceutical Manufacturing Co., Ltd.	Livzon Hecheng
Livzon Group Fuzhou Fuxing Pharmaceutical Co., Ltd.	Fuzhou Fuxing

Data Sources and Reliability Statement

Data and cases disclosed in this report are derived from official documents, statistical reports, relevant public information and internal reporting documents. Joincare guarantees that this report does not contain any false representation or misleading statement and assumes liability for the authenticity, accuracy and completeness of this report.

Confirmation and Approval

The Report has been confirmed by the management and was reviewed and approved by the Board of Directors on April 24, 2026.

Access and Response

This report can be accessed or downloaded from the official website of the Shanghai Stock Exchange (www.sse.com.cn) and our official webpage (www.joincare.com). Should you need to make further inquiries, comments or suggestions regarding this report, please contact us via fax (0755-86252165) or email (joincare@joincare.com).

Legal Statement

This report contains forward-looking statements regarding Joincare's future sustainability strategy, objectives, and plans. These statements are grounded in the Group's current judgments and expectations. However, the actual outcomes may vary owing to significant uncertainties, such as fluctuations in the market environment, changes in policies, and technological advancements. The inclusion of a particular piece of information in this report should not be construed as a characterization of the significance or financial impact (or potential impact) of that information. To obtain a more comprehensive understanding of our financial performance and operations, please refer to our annual report and the various announcements issued on the website of the Shanghai Stock Exchange (www.sse.com.cn).

This report is originally written in Chinese, and this English version is for stakeholders' reference only. Should ambiguities arise between the two versions, the Chinese version shall prevail.

Chairman's Statement

Dear stakeholders and all friends who follow and support Joincare,

2025 marks a pivotal year for Joincare as we comprehensively deepen our strategy of "innovation-driven and AI-empowered" development, and it is a significant milestone in our unwavering commitment to integrating sustainability into our corporate growth. Facing industry trends such as the continuous growth of the pharmaceutical market, AI technology leading transformation, and increasingly diversified patient needs, we uphold our mission of "For the Health, For the Future." We persist in R&D innovation, focus on clinical demands, diligently implement energy conservation and emission reduction, and contribute to the "Healthy China Initiative" and the "Dual Carbon Strategy."

This year, we achieved outstanding results in multiple Environmental, Social and Governance (ESG) ratings, successfully selected for the S&P Global Sustainability Yearbook 2026 (Global Edition) and receiving a "B" rating in CDP's Climate Change Questionnaire, demonstrating widespread recognition of the Group's sustainability achievements.

Innovation-Driven, AI-Empowered

The Group regards R&D innovation as the core driving force for fostering new productive drivers, deeply cultivating key therapeutic areas such as respiratory, pain management, digestive, assisted reproduction, and mental health diseases. We continuously expand our product lines in advantageous areas and our innovative drug R&D pipeline. In 2025, several of our innovative drug projects achieved significant breakthroughs: the new influenza drug Pixavir Marboxil Capsules (壹 立 康 ®) and the improved new drug Aripiprazole Microsphere for Injection from Joincare's controlling subsidiary Livzon Microsphere were approved for market launch. Multiple innovative drugs for chronic obstructive pulmonary disease (COPD) treatment under development, such as TSLP monoclonal antibody injection entered Phase III clinical trials, PREP inhibitors and MABA Inhalation Solution successfully entered Phase II clinical trials, and several Class 1 innovative drugs also made phased progress. Concurrently, we continue to promote overseas access, product registration, and promotion of products such as inhaled preparations, assisted reproduction, gastrointestinal, and anti-infectives, steadily advancing our internationalization strategy.

The Group is committed to deeply exploring the application potential of artificial intelligence technology. Within the year, we deployed AI models in R&D to systematically integrate AI technology into the entire process from early exploration to preclinical research. In production, AI technology is applied to predict production rhythms and optimize resource allocation decisions, accurately achieving advance stocking and enhancing supply stability. On the client side, we have created AI intelligent agents for prescription drugs, which identify health risks through AI models and have already served nearly 100,000 patients.

Synergistic Supply Chain, Value Co-creation

Adhering to the principles of integrity, mutual trust, and win-win cooperation, the Group systematically conducts supplier tiered management and risk control. We incorporate Environmental, Social, and Governance (ESG) impacts and business relevance into supplier evaluations, clearly defining ESG requirements for suppliers in the "Supplier Code of Conduct." Through training, communication, and collaboration, we support supplier capacity building through multiple channels, working together to build a safe, stable, and sustainable supply chain.

The Group actively practices its core value of "people-oriented," committed to comprehensively safeguarding employees' legitimate rights and interests, and actively creating a diverse, equal, and inclusive working environment. We prioritize listening to employees' voices and responding to their concerns. We continuously optimize promotion mechanisms, steadily improve our salary and welfare system, support employee growth, strengthen talent retention, and share the fruits of corporate development with all employees. Concurrently, we attach great importance to occupational health and safety management, vigorously protecting employee health and safety to achieve the goal of "zero safety accidents."

Quality Assurance, Responsibility for the Future

The Group places high importance on product quality and safety, having established a full lifecycle quality management system covering key aspects such as R&D, production, operations, pharmacovigilance, product recalls, and quality audits. Within the year, we initially established a quality management system covering the entire clinical trial process and continuously strengthened production quality management. As of the end of the Reporting Period, the production lines and related products of the Group and its subsidiaries all comply with Good Manufacturing Practice (GMP) of Medical Products, and the Group headquarters and several production subsidiaries have passed quality management system certifications. Concurrently, we continue to promote responsible marketing practices, having newly established a Compliance Department dedicated to supervising and regulating sales behavior to ensure the legality and compliance of marketing activities.

The Group unswervingly fulfills its corporate citizenship responsibilities, adhering to the environmental management policy of "pollution prevention, compliance with regulations, and continuous improvement." We continuously strengthen energy, water resources, and emissions management, and follow the "3R" principle of Reduce, Reuse, Recycle, deeply practicing the concept of a circular economy and comprehensively promoting the construction of a resource recycling system. We also align with international trends, strengthening climate risk management and response while striving to seize green development opportunities brought by climate change, committed to reducing the impact of climate change on corporate operations. In terms of social responsibility, we have built an online and offline respiratory disease science popularization network, effectively enhancing public awareness of chronic diseases such as asthma and COPD, and actively carrying out rural assistance and community volunteer activities, serving society to the best of our ability.

Looking ahead to 2026, Joincare will continue to uphold its core values of "Putting people first, Valuing workmanship and quality, Pursuing innovation and truth, Promoting cooperation and sharing." We will safeguard life and health through innovation, give back to society's expectations with responsibility, and fulfill our sustainability commitments through action, working hand in hand with all parties to create a sustainable future.

Chairman: Zhu Baoguo

April 24, 2026

About Us

Group Overview

Joincare has deep roots in the pharmaceutical and healthcare sector, having established a full-industry-chain business portfolio encompassing chemical pharmaceuticals and Active Pharmaceutical Ingredients (API), traditional Chinese medicine, biologics, diagnostic reagents, and healthcare products.

The Group has accumulated solid R&D capabilities across all major core business segments and adheres to an international R&D vision. In recent years, we have unswervingly implemented the core strategy of "innovation-driven," focusing on therapeutic areas with urgent clinical needs such as respiratory, pain management, digestive, assisted reproduction, and mental health diseases, building an efficient and promising R&D pipeline. With the transformation and implementation of relevant innovative achievements, the Group's product structure and business layout continue to optimize, supporting the steady enhancement of core competitiveness.

Group's Main Representative Products

Chemical Pharmaceuticals

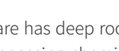
Respiratory

壹立康 ® (Pixavir Marboxil Capsules)

健可妥 ® (Tobramycin Inhalation Solution)

Gastroenterology


壹丽安 ® (Ilaprazole Enteric-coated Tablets)

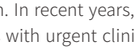

壹丽安 ® (Ilaprazole Sodium for Injection)

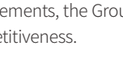
Gonadotropin

贝依 ® (Leuprorelin Acetate Microspheres for Injection)

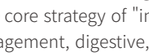

丽申宝 ® (Urofollitropin for Injection)

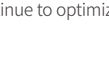
Psychiatry


阿丽唯 ® (Aripiprazole Microspheres for Injection)


瑞必乐 ® (Fluvoxamine Maleate Tablets)

Anti-infection


倍能 ® (Meropenem for Injection)


丽福康 ® (Voriconazole for Injection)

APIs and Intermediates

Human Use: 7-ACA, Meropenem Trihydrate, Daptomycin, Dalbavancin, Vancomycin, Mevastatin, Acarbose, Mycophenolic Acid

Veterinary Use: Milbemycin Oxime and Moxidectin

Traditional Chinese Medicine

Antineoplastic Drugs


Shenqi Fuzheng Injection

Cold & Flu Medications


Anti-viral Granules

Diagnostic Reagents and Devices


Mycoplasma pneumoniae IgM Antibody Detection Reagent (Colloidal Gold Method)


Antinuclear Antibody Test Kit (Magnetic Bar Code Immunofluorescent Luminescence Method)

Biological Products


Atvtia® (Tocilizumab Injection)


丽康乐 ® (Mouse Nerve Growth Factor for Injection)

Health Care Products and Over-the-Counter Drugs (OTC)


Jingxin Oral Liquid


Eagle's American Ginseng Tea


Taitai Honghua Taoren Oral Liquid


Yike Tie

Organizational Structure

Key Performance

During the Reporting Period, Joincare achieved operating revenue of RMB15.216 billion; net profit attributable to shareholders of the listed company was RMB1.336 billion; and net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses was RMB 1.307 billion.

Concurrently, the Group actively undertakes social responsibilities and continuously creates value for society. In 2025, Joincare generated RMB 1.815 billion in tax revenue for the government, paid RMB 2.503 billion in employee salaries, distributed dividends and paid interest to creditors such as banks totaling RMB 1.083 billion, and donated funds and goods to society totaling RMB 38.4108 million.

Total revenues
RMB ***15.216*** billion

Net profits attributable to shareholders of the listed company
RMB ***1.336*** billion

Tax contributions
RMB ***1.815*** billion

Salary paid to employees
RMB ***2.503*** billion

Donated funds and goods
RMB ***38.4108*** million

Corporate Culture

Since its establishment in 1992, Joincare has consistently focused on the grand health sector, staying true to its original aspirations amidst continuous inheritance and innovation, gradually forming its corporate mission of "For the Health, For the Future." Over the years, we have prioritized patient interests, centered on safeguarding human life and health, taken technological innovation as our strategic cornerstone, adhered to an innovation-driven development strategy, meticulously crafted the corporate vision of "Dedicating Ourselves to Producing Quality and Innovative Medicines," and actively and continuously contributed to building a community with a shared future for mankind. While focusing on our own business, we uphold the core values of "Putting people first, Valuing workmanship and quality, Pursuing innovation and truth, Promoting cooperation and sharing," emphasizing product quality, talent cultivation, and the enhancement of our R&D capabilities. We consistently advocate for the coexistence of humanistic and scientific spirits, actively undertaking obligations and responsibilities for the development of human health.

Mission

For the Health, For the Future

Vision

Diligently make high-quality drugs and innovative drugs

Core Values

Putting people first
Valuing workmanship and quality
Pursuing innovation and truth
Promoting cooperation and sharing

Honors

March 2025

Sustainability Yearbook 2025 (Global Edition)
S&P Global

Guangdong Pharmaceutical Industry Association — Council Member Unit
Guangdong Pharmaceutical Industry Association

May 2025

Guangdong Key Trademark Protection List — Jingxin
Trademark Protection Committee, Guangdong Trademark Association

Guangdong Key Trademark Protection List — Taitai
Trademark Protection Committee, Guangdong Trademark Association

Guangdong Key Trademark Protection List — Eagle Brand
Trademark Protection Committee, Guangdong Trademark Association

July 2025

Top 100 Pharmaceutical Industrial Enterprises in China 2024 — Ranked 86th
Ministry of Industry and Information Technology

September 2025

2024 Advanced Enterprise in Pharmaceutical Industry Statistics
Guangdong Pharmaceutical Industry Association

October 2025

2025 Top 100 Private Enterprises in Guangdong — Ranked 86th
Guangdong Federation of Enterprises & Guangdong Entrepreneurs Association

2025 Top 100 Private Manufacturing Enterprises in Guangdong — Ranked 51st
Guangdong Federation of Enterprises & Guangdong Entrepreneurs Association

2024 Technology Innovation Leading Enterprise
CNR.cn

November 2025

2024 Listed Company Reputation Rankings — Most Growth-Oriented Listed Company in the Health Sector
Daily Economic News

2025 Best Practice Case for Sustainable Development of Listed Companies
China Listed Companies Association

November 2025

Best Practice in Listed Company Board of Directors
China Listed Companies Association

2025 Greater Bay Area Listed Company Board Governance TOP 20
Shenzhen Corporate Governance Research Association

20th China Economic Forum & 2025 Greater Bay Area Science, Technology and Financial Innovation Development Conference — Selected Capital Innovation Case in the "14th Five-Year Plan" Financial Innovation Outstanding Cases
Securities Times

December 2025

2025 Yidong "Value 100"
Yidong & Value Online

2025 Best Practice in Listed Company Board of Directors Office
China Listed Companies Association

19th China Listed Company Value Selection — Top 50 New Quality Productive Forces Award
Securities Times

February 2026

Sustainability Yearbook 2026 (Global Edition)
S&P Global

ESG Rating Performance

ESG Ratings	Rating Results
2025 S&P Global Corporate Sustainability Assessment (CSA)	**Scored 72**
CDP Climate Change Questionnaire	**B**
Wind ESG Ratings	**AA**
CSI ESG Ratings	**AA**
SNSI ESG Ratings	**AA**

PART 01

Sustainability Management

Joincare firmly believes that practicing sustainability is of great significance to the Group's development. We focus on four dimensions: governance, strategy, impact, risk and opportunity management, and metrics and targets, to build an effective sustainability governance framework, improve the identification, assessment, and management processes for sustainable development-related risks and opportunities, and deeply integrate sustainability indicators and goals into daily business operations management, thereby laying a solid foundation for achieving long-term high-quality development.

1.1 Sustainability Governance

An effective sustainability governance system is a key support for Joincare to implement its sustainability strategy and achieve its sustainability goals. The Group has established a multi-tiered sustainability governance framework comprising the Board of Directors, the Board's Sustainability Committee, and the executive-level Sustainability Working Group. We continuously implement the *Joincare Sustainable Development Management System,* clarify management responsibilities and scope of work at all levels, and standardize the division of labor among various functional departments. By building an effective governance framework, improving information disclosure and data management, and strengthening ESG risk assessment and management, we better integrate sustainable development-related impacts, risks, and opportunities into consideration during corporate strategy implementation, major transaction decisions, and risk management processes.

Joincare Sustainability Management Structure and Responsibilities

Board of Directors

- The Board of Directors is the highest decision-making body, responsible for making decisions on all major sustainable development-related matters and overseeing sustainable development-related impacts, risks, and opportunities.

Board-level Sustainability Committee

- The Sustainability Committee consists of three directors (including one independent director), with the Chairman serving as the committee chair. The three members of the Sustainability Committee each possess extensive experience in pharmaceutical industry corporate management, green production, supply chain management, and financial compliance and risk management.
- The Sustainability Committee is responsible for identifying and managing sustainability-related impacts, risks, and opportunities, formulating and improving the Group's major ESG policies, guiding the business practices of various departments and subsidiaries, and regularly reporting the implementation of ESG policies and action plans, as well as the achievement of performance targets, to the Board of Directors annually, forming a closed-loop management of concepts, goals, strategies, and business practices.

Executive-level Sustainability Committee

- Under the Sustainability Committee, an executive-level Sustainability Committee has been established, with the Group President serving as the leader responsible for overall oversight of ESG-related issues, and other senior executives serving as deputy leaders to assist in supervision. The committee members include core personnel from the Group's relevant businesses and important functional areas, possessing professional knowledge, skills, and extensive experience, enabling them to efficiently advance ESG-related work and implement risk control measures under the guidance of the Board-level Sustainability Committee.
- The executive-level Sustainability Committee is primarily responsible for tracking and coordinating the implementation of various specific ESG tasks by departments at the Group headquarters and its subsidiaries, regularly organizing internal discussions and meetings, and reviewing and discussing existing ESG policies for improvement.
- The Group has incorporated key ESG indicators into the annual individual performance appraisal system for all members of the executive-level Sustainability Committee (including senior management), strengthening management's accountability for sustainability goals through a remuneration linkage mechanism.

Furthermore, to enhance the Group's sustainability management level, we closely monitor cutting-edge sustainability trends, actively seize sustainability hotspots and opportunities in the capital market, and promptly grasp the latest requirements from regulatory bodies regarding sustainability. We organize annual training sessions related to sustainability management to strengthen management's awareness of sustainability across the Group, understand and learn excellent sustainability management practices, thereby improving our sustainability management performance.

1.2 Sustainability Strategy

Joincare is committed to contributing to social development. With innovation as its driving force, the company has long been deeply engaged in the healthcare industry and actively contributes to the Healthy China initiative, working with all stakeholders to build a greener, better future of high-quality development. We deeply integrate sustainability into the Group's development strategy, formulate and implement strategies with health at the core, steadily advance various tasks, and are committed to providing society with high-quality, safe, accessible, and affordable medical products and services that effectively address clinical needs. Concurrently, we pay close attention to the expectations of internal and external stakeholders, continuously optimize sustainability management, empower employee growth internally, and actively undertake environmental responsibilities and engage in public welfare externally, contributing to social harmony and progress.

1.2.1 Communication with Stakeholders

The Group highly values feedback from our stakeholders. We have established regular and diversified communication mechanisms to continuously strengthen our engagement with them. Through a variety of accessible channels, we stay informed of the issues that concern our stakeholders and proactively respond to their expectations. By fostering constructive interactions, we aim to create sustainable long-term value for all stakeholders.

Issues of Concerns to and Communication Methods with Stakeholders

Stakeholders	Issues of Concern	Communication Methods
Employees	• Employee	• Workers Congress and labor Union • Employees' satisfaction survey, occupational health • and safety training • Platforms for feedback, Daily communication
Investors	• Corporate Governance & Risk Management • Innovation-Driven Development	• Shareholders' meeting • Regular releases of business information and data • Telephone, fax, email • Investor's survey, platforms for interactive • communication and exchange, and external roadshows • WeChat official account
Consumers	• Product and Service Safety & Quality • Circular Economy	• Product labelling and information disclosure • Regular visits, consumers' satisfaction survey • Handling of complaints and opinions
Distributors, suppliers and partners	• Product and Service Safety & Quality • Supply Chain Security	• Regular communication • Working meetings and exchanges via telephone and correspondence, company's website
Government and regulators	• Product and Service Safety & Quality • Pollutant Emissions • Waste Management	• Government-enterprise symposiums • Supervision and inspection • Work reports and surveys • On-site inspection
Media	• Innovation-Driven Development • Corporate Governance & Risk Management	• Company's website and WeChat official account • Interactive communication platforms, special reports, external roadshows
Pharmaceutical industry associations/organizations	• Innovation-Driven Development • Intellectual Property Rights Protection	• Industry organization meetings, experience sharing sessions, site visits
Community/The public	• Access to Healthcare • Social Contribution	• Volunteering activities • Money and medicine donation, medicine knowledge publicity

1.2.2 Due Diligence

The Group has successively conducted due diligence on sustainable development-related negative impacts and risks for various topics, clarifying relevant responsible parties and investigation scope. Through established procedures, we identify potential related risks and negative impacts, and take corresponding countermeasures based on actual conditions to ensure effective control of relevant risks. This year, led by the Group's Human Resources Department, we continued to conduct annual human rights due diligence, covering all Group employees and significant suppliers. For details, please refer to Section "6.1.2 Protection of Human Rights" in this Report.

1.2.3 Materiality Assessment

The Group has integrated the annual materiality assessment into its enterprise risk management process. We apply the principle of double materiality, conducting materiality assessments or reviewing analysis results annually through desktop research, expert reviews, and other methods. We regularly invite internal and external stakeholders to participate in surveys to fully identify and assess the impact materiality and financial materiality of each issue, and respond to each issue in focus in the annual sustainability report.

Our materiality assessment process has been verified by the third-party assurance provider, and the main steps are listed below:

01 Issue Identification

Based on the 21 issues set in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, and in combination with the characteristics of the pharmaceutical industry, the industry's development stage, the Group's own business model and value chain, etc., 23 material issues with the Group's business characteristics have been formulated [1].

02 Research on issues

We designed questionnaires for "Impact Materiality Assessment" and "Financial Materiality Assessment" and invited various stakeholders to participate in the research in 2024&2025. The research subjects cover the company's directors, supervisors and senior management, internal employees, suppliers, investors, consumers, government and regulators, and so on.

03 Assessment of issues

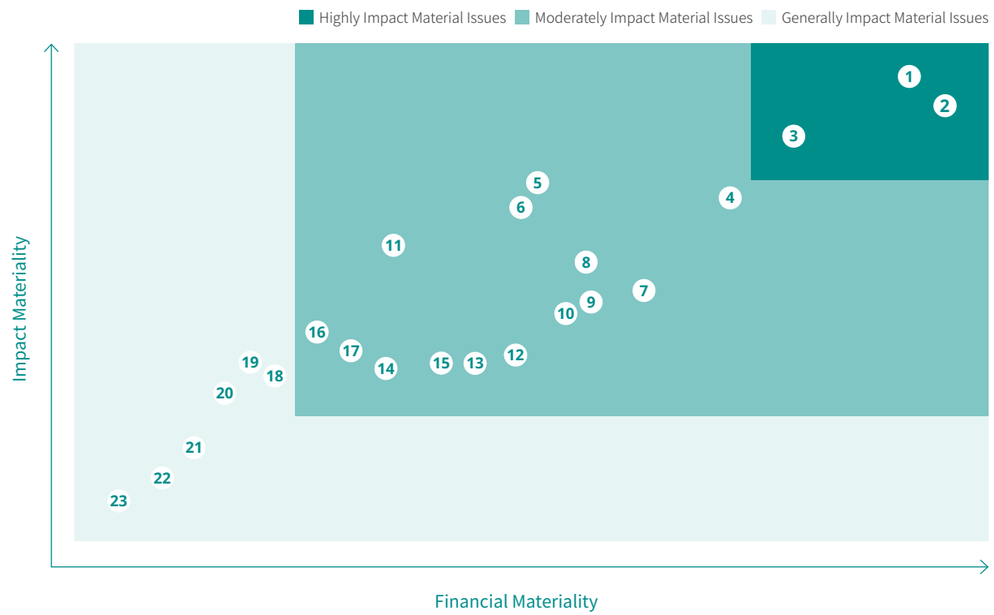
Based on adjusted issue list, taking into account both peer benchmarking and the results of stakeholder surveys, we conduct an assessment and analysis from two dimensions: the materiality of the issues' impacts on the economy, society, and the environment, and the materiality of the issues to the company's finances. Issues with impact materiality and financial materiality were identified respectively.

04 Review of issues

According to the results of materiality assessment, a matrix of material issues and the focus areas of the report in 2025 are determined. The results of materiality assessment are submitted to management and disclosed in the report after review by management and approval by the Board of Directors.

[1] As Joincare is not among the mandatory disclosure entities specified under Article 46 of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the issue of equal treatment of small and medium-sized enterprises (SMEs) has not been included in our materiality issues list.

Joincare's Matrix of Material Issues in 2025



Highly Impact Material Issues

1. Product and Service Safety & Quality
2. Innovation-Driven Development
3. Climate Change Response

Moderately Impact Material Issues

4. Intellectual Property Rights Protection
5. Employees
6. Protection of Data Security and Customer Privacy
7. Corporate Governance & Risk Management
8. Anti-Bribery and Anti-Corruption
9. Anti-Unfair Competition
10. Supply Chain Security
11. Access to Healthcare
12. Waste Management
13. Pollutant Emissions
14. Stakeholder Communication
15. Environmental Compliance Management
16. Social Contribution
17. Energy Utilization

Generally Impact Material Issues

18. Circular Economy
19. Rural Revitalization
20. Water Utilization
21. Technology Ethics
22. Ecosystem and Biodiversity Protection
23. Due Diligence

Based on the assessment, the three issues of product and service safety & quality, innovation-driven development, and climate change response have been identified as financial material. We further identify related risks and opportunities, assessing the potential impact of these risks and opportunities on the company's strategy, decisions, financial position, operating results, cash flow, and other factors in the short term (0-3 years), medium term (4-10 years), and long term (over 10 years)[2]. Concurrently, in the corresponding chapters of this report, we will disclose the methods adopted and plans formulated by the Group to address risks and opportunities related to each issue, as well as the measures and actions taken by the Group to monitor, prevent, manage, control, and mitigate relevant impacts.

[2] Taking into account both its internal sustainability roadmap and the broader external policy environment, Joincare defines its time horizons as short-term (0–3 years), medium-term (4–10 years), and long-term (over 10 years), with these definitions aligned with the Company's strategic planning and resource allocation plans.

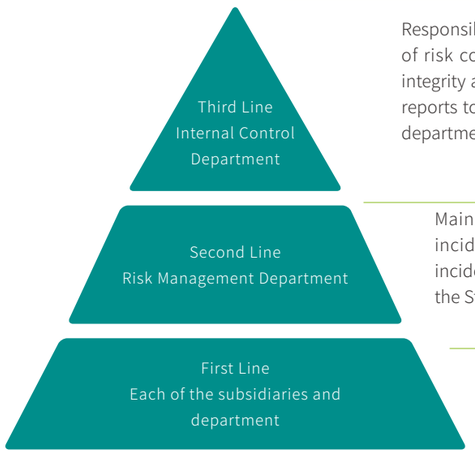
1.3 Impact, Risk, and Opportunity Management

Joincare has integrated the sustainability-related impact, risk, and opportunity management process into the internal management process, forming a closed-loop mechanism spanning identification, assessment, prioritization, control, and monitoring. In this way, we ensure effective implementation and continuous advancement of sustainability goals.

1.3.1 Comprehensive Risk Management

The Group has established a well-developed risk management system. It has formulated and implemented the *Comprehensive Risk Management System*, and established and improved the "Three Lines of Defense" framework for risk management and internal control to regulate risk assessment and management process. We also set overall risk management goals to improve overall risk prevention and control. The Board of Directors, as the highest decision-making body in comprehensive risk management, takes charge of supervising risk management practices. The Strategy and Risk Management Committee takes charge of reviewing the effectiveness of overall risk identification, assessment, internal management and monitoring procedures. The management, as the execution body, takes charge of the effectiveness of comprehensive risk management to the Board of Directors. All functional departments play their roles in supporting the implementation of risk management procedure. The Risk Management Department, as the leading management department of comprehensive risk management, takes charge of conducting risk management under the guidance of the Strategy and Risk Management Committee.

Joincare's "Three Lines of Defense" Management Framework



03

Responsible for the supervision of the establishment and implementation of risk control, the authenticity and integrity of financial information, integrity and anti-corruption, etc. The Internal Control Department directly reports to the Audit Committee of the Board and is independent from any departments of the Company.

02

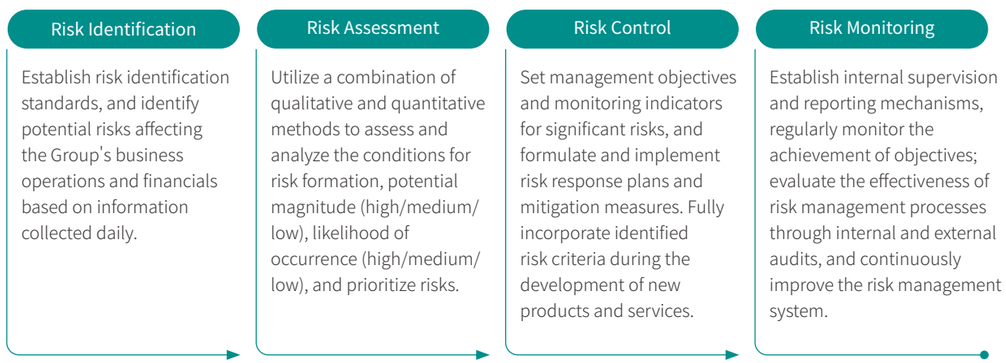
Mainly responsible for risk prevention and control during the pre-incident and ongoing phases, as well as risk handling in the post-incident phase. The Risk Management Department directly reports to the Strategy and Risk Management Committee of the Board.

01

Mainly responsible for the daily work of risk identification and assessment, risk prevention and control and internal control within the scope of its business responsibilities.

We formulate effective risk management processes, committed to minimizing the impact of adverse factors and ensuring the Group's stable and high-quality development. We continuously collect information, identify internal and external risks of the company, formulate comprehensive risk management strategies, implement risk response measures, and monitor and warn against risks. We regularly conduct risk reports, supervise and evaluate the implementation and effectiveness of risk management, and improve identified issues. Annually, we review the company's risk exposures, conduct internal control evaluations for financial and non-financial risks in the company's main businesses and high-risk areas, and, when necessary, engage independent third-party institutions to conduct external risk audits. Risk management implementation and audit results will be incorporated into the performance appraisals of managers and employees at all levels.

Joincare Risk Management Process



Based on the above risk management process, this year we identified the following two risks and formulated corresponding mitigation actions:

Risk Description	Impact Assessment	Mitigation Actions
R&D Risk: High investment, high risk, and long cycle for new drug R&D increased listing review requirements in recent years; post-market promotion affected by regulations, policies, market, and competition, potentially leading to lower-than-expected revenue.	**Potential Magnitude:** High **Likelihood of Occurrence:** Medium	Strengthen project initiation norms and risk prevention and control, establish a full-process risk management system for projects; improve the R&D innovation system, introduce high-end talents, and carry out overseas cooperation and introduction; pay attention to emerging technologies and unmet clinical needs, and proactively deploy frontier research.
Quality Control Risk: The quality of pharmaceutical products concerns life and health, regulation is becoming increasingly stringent, and drug production involves numerous links such as raw materials, processes, equipment, environment, storage, and transportation, placing significant responsibility on manufacturing enterprises.	**Potential Magnitude:** High **Likelihood of Occurrence:** Low	Improve the comprehensive quality management system, establish an information system and full-process SOPs; strengthen new product process engineering control and risk management; promote the excellent performance management model, introduce international advanced concepts, and enhance the international level of the quality management system.

Furthermore, we insist on providing specialized risk management training and the latest compliance guidelines to all directors (including independent and non-independent directors) annually to continuously strengthen the Board's risk management capabilities, with a training coverage rate of 100% in 2025. The Group also conducts diverse risk management training for all employees, through online thematic courses, offline lectures, and other forms, to fully disseminate the Group's risk management systems, processes, and principles to employees, comprehensively enhancing their risk awareness and response capabilities.

1.3.2 Emerging Risks

The Group has identified and assessed emerging risks in social and environmental aspects that may affect the Group's long-term future development, and has taken effective actions during operations to prevent and mitigate relevant risks.

Emerging Risk	Impacts	Mitigating Actions
Geopolitical Risks Global geopolitical tensions will significantly impact the international layout of the pharmaceutical industry. In April 2025, the U.S. Department of Commerce initiated a national security investigation into imported pharmaceuticals under Section 232 of the *Trade Expansion Act*, covering finished drugs, generic drugs, active pharmaceutical ingredients (APIs), and key components, posing a direct challenge to the global business expansion of Chinese pharmaceutical companies.	• The United States is one of China's important export markets for pharmaceutical products. Changes in trade policies may lead to restricted access to overseas markets, affecting pharmaceutical companies' internationalization strategies and overseas business revenue; • Due to the highly globalized supply chain of the pharmaceutical industry, international market uncertainties may also lead to supply chain disruptions and unstable raw material supply. Pharmaceutical companies may be unable to import key raw materials from certain countries, leading to production interruptions.	• Actively explore multiple international markets to reduce reliance on a single market; • Establish overseas factories to enhance overseas production capacity; • Formulate a backup supplier system, setting up alternative suppliers for raw and auxiliary materials, key consumables, and other materials to ensure stable supply; • Timely monitor changes in international policies and prepare in advance.
AI Technology Application Risks In 2025, AI in pharmaceuticals transitioned from the concept verification phase to the clinical application phase, with specific regulatory requirements rapidly being implemented. In July 2025, the European Commission and PIC/S simultaneously released the draft of *GMP Annex 22: Artificial Intelligence*, indicating that the application of AI technology in the pharmaceutical industry will face dual compliance requirements from general regulations and GMP regulations in the future, bringing new risks and challenges to pharmaceutical companies' AI management.	• Regulatory policy uncertainties may lead to the inability to recover R&D resources invested in the early stages; • Intellectual property ownership disputes over AI algorithm-generated results are becoming increasingly prominent, and companies and AI technology providers may have disagreements over benefit distribution; • Cross-border transfer of patient data is strictly restricted by privacy regulations in various countries, and algorithmic bias may lead to deviations in drug efficacy for specific populations; • The rapid popularization of AI technology disrupts traditional business models, and pharmaceutical companies that fail to adapt in time will face a survival crisis due to weakened competitiveness.	• Establish communication mechanisms with major regulatory bodies to clarify AI algorithm validation requirements and data submission standards; • Cultivate and introduce professional talents in the AI field to enhance the company's technological innovation capabilities and reduce reliance on AI technology providers; • Reasonably and efficiently utilize medical big data and other resources to formulate more targeted R&D directions and market strategies.

1.4 Supporting the United Nations Sustainable Development Goals

As a responsible corporate citizen, the Group continuously improves its sustainable development management system and actively engages in various fields such as pharmaceutical innovation, access to healthcare, environmental protection, and rural revitalization, fully supporting the achievement of the United Nations Sustainable Development Goals (SDGs) through concrete actions.

SDG1: No Poverty

End poverty in all its forms everywhere

Section: **Access to Healthcare**

Examples of Our Actions

- We carried on the long-term "Access to Public Welfare for Chronic Diseases Prevention and Treatment Program" to donate drugs to patients with financial difficulties in remote areas who suffer from chronic diseases.
- We promoted the development of standardized cultivation bases for traditional Chinese medicinal herbs in rural regions to boost local economic growth via industrial support.

SDG3: Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages

Section: **Innovation-driven Development, Access to Healthcare**

Examples of Our Actions

- Focus on unsatisfied clinical needs and continuously expand the R&D pipeline of innovative drugs.
- We built a popular science new media platform matrix called "Respiratory Experts' Views" to promote knowledge on chronic respiratory disease and give treatment support for the public.
- We provided training for local healthcare workers in developing countries, contributing to improving the quality and capacity of health services.

SDG4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Section: **Employees**

Examples of Our Actions

- We cooperated with higher education institutions to deliver joint training programs and provided students with traineeship positions.
- We tailored position-specific development training programs according to the characteristics and business needs of different positions.
- We encourage continuing education and support employees to obtain academic degrees or professional certifications.

SDG5: Gender Equality

Achieve gender equality and empower all women and girls

Section: **Employees**

Examples of Our Actions

- We set a diversity target of "no less than 49% female employees by 2032".
- We provided various material benefits and special care for female employees, such as maternity leaves, breastfeeding leaves and customized physical examination services.

SDG6: Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all.

Section: **Green Operations**

Examples of Our Actions

- By installing online wastewater monitoring equipment at the effluent outlets of major wastewater discharge plants and networking with regulatory authorities, we monitored and shared real-time discharge data of treated wastewater.
- Through improving wastewater treatment processes and upgrading wastewater treatment facilities, we decreased wastewater discharge, increased wastewater utilization, and reduced the concentration of pollutants in wastewater.

SDG7: Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

Section: **Green Operations**

Examples of Our Actions

- We took steady steps to develop the energy management system based on ISO 50001 standards.
- We took measures to improve energy use efficiency for energy conservation and emission reduction, increased the investment in green production projects and strived to build a low-carbon and energy-saving green production enterprise.

SDG8: Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Section: **Employees, Access to Healthcare**

Examples of Our Actions

- We have formulated the *Code of Labor Employment and Ethical Conduct* to specify provisions on protecting labor rights as the prohibition on forced and child labor, equal remuneration, etc.
- We strengthened education and training on protecting human rights, strictly reviewed the implementation of human right policies, and actively took improvement actions.

SDG10: Reduced Inequalities

Reduce inequality within and among countries

Section: **Employees, Access to Healthcare**

Examples of Our Actions

- We prohibited any forms of discrimination and prejudice, defined an escalation process and disciplinary actions.
- We adopted inter-country and intra-country equitable pricing policies based on product affordability.
- We were deeply committed to the development of healthcare and actively involved in capacity advancement initiatives for healthcare in developing countries.

SDG12: Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

Section: **Product and Service Safety & Quality, Supply Chain Security, Green Operations**

Examples of Our Actions

- We took product quality, safety, health, environmental protection and other elements into account to minimize the negative impact that our products may have on the environment and society in the whole product life cycle.
- We classified waste for treatment, and actively promoted waste reduction, recycling and harmless disposal by introducing advanced environmental protection technology into production, upgrading original production technology and formulations, and cooperating with third parties.

SDG13: Climate Action

Take urgent action to combat climate change and its impacts

Section: **Green Operations**

Examples of Our Actions

- We developed the *Climate Change Management System*, set out the Group's procedures for identifying and assessing climate-related risks and opportunities, as well as the requirements for implementing and monitoring the response measures.
- We identified and assessed the climate-related risks and opportunities facing our business and determined response measures to improve the overall ability to manage climate risks.
- We set the 2030 carbon emission target.

SDG15: Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.

Section: **Green Operations**

Examples of Our Actions

- We strictly comply with the laws and regulations related to biodiversity conservation.
- We identified environmental risk factors and hidden hazards before building factories, met the "ecological red lines" requirements and avoided operating in areas of high biodiversity value, such as those close to government-designated ecological reserves.

SDG16: Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Section: **Corporate Governance, Employees**

Examples of Our Actions

- We issued *Anti-Corruption and Anti-Commercial Bribery System* and the *Anti-Fraud System*, strengthened audit and supervision, and conducted training on business ethical standards.
- We require management, employees, and partners to comply with business ethics and clearly implement the anti-corruption management responsibility.
- We have built a smooth and confidential grievance escalation and reporting procedures for employees to enable them to promptly raise complaints or report violations of labor rights and other grievances.

SDG17: Partnerships for the Goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Section: **Supply Chain Security**

Examples of Our Actions

- Formulated and issued the *Supplier Code of Conduct*, specifying the fundamental principles that suppliers are expected to follow regarding business ethics, labor rights and human rights, health and safety, as well as environmental protection and green development.
- Encouraged suppliers to enhance their capabilities, supporting their comprehensive development through multiple channels such as training, exchanges, and collaboration.

PART 02

Corporate Governance

Joincare adheres to the philosophy of compliant operation and steady development, actively practices corporate social responsibility, and is committed to creating long-term social value. We firmly uphold the bottom line of compliance, insist on Party building leadership, regulate various business operations with integrity and self-discipline as the standard, and resolutely eliminate behaviors that violate business ethics, such as commercial bribery and unfair competition. By continuously strengthening business ethics training and building a culture of integrity, we continuously solidify the foundation for the company's sustainable development, safeguarding the steady and long-term progress of our business.

SDGs in this section

2.1 Standardized Governance

Joincare strictly abides by relevant laws, regulations, and supervisory requirements, such as the *Company Law of the People's Republic of China (PRC)*, the *Securities Law of the PRC*, the *Code of Corporate Governance for Listed Companies*, and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*. We improve our internal management system, continuously enhance the quality of information disclosure, actively interact with investors, and effectively safeguard investors' rights and interests.

2.1.1 Protection of Shareholders' Rights and Interests

Joincare continuously improves its corporate governance mechanisms to protect shareholders' rights and interests. In 2025, Joincare revised several core systems, including the *Articles of Association* and *Rules of Procedure for Shareholders' Meetings*, further clarifying the boundaries of powers and responsibilities for the Board of Directors and Shareholders' Meetings. It also clarified the core powers of the Audit Committee in financial supervision, review of related-party transactions, and supervision of the performance of duties by directors and senior executives. The entire process of convening, holding, and voting at Shareholders' Meetings was standardized to ensure legal and compliant meeting procedures and fair and just voting results, actively responding to new situations in the capital market and new regulatory requirements. To ensure that all shareholders, especially small and medium shareholders, can exercise their due right to know and participate in decision-making, we utilize information technology means, such as online voting, to provide shareholders with convenient and efficient ways to participate in company decisions.

Concurrently, Joincare consistently maintains the independence of its operations, achieving complete independent operation and accounting from its controlling shareholder and actual controller in key dimensions such as business operations, personnel allocation, asset ownership, organizational structure, and financial management. The Group's controlling shareholder strictly adheres to laws and regulations in exercising rights and fulfilling obligations, and there are no instances of direct or indirect interference in the Group's decision-making and business activities beyond the Shareholders' Meeting. We have established a long-term mechanism to prevent controlling shareholders or actual controllers and other related parties from misappropriating funds of the listed company or infringing upon its interests, having formulated the *Policy for Preventing the Controlling Shareholder or the De Facto Controller and Other Related Parties from Occupying Company Funds*, ensuring the company's stable development through systematic management.

This year, the Group has not experienced any disputes arising from the misappropriation of company assets or infringement of the interests of the company and small and medium shareholders by controlling shareholders, actual controllers, or other related parties, nor has it received any relevant regulatory inquiries or penalties, demonstrating significant achievements in protecting shareholders' rights and interests

2.1.2 Performance of Duties of Directors

Joincare is committed to enhancing the governance of the Board of Directors by continuously optimizing its structure and promoting the professionalism and diversity of Board members. We have formulated the *Board Diversity Policy* to ensure that the Nomination Committee selects Board members based on a series of professional criteria, including educational background, professional experience, skills, expertise and tenure, as well as diversified factors such as gender, age, nationality, cultural background and ethnicity. Meanwhile, we disclose measurable targets and relevant progress for the implementation of the Board's diversity-related policies on an annual basis.

The number of members of the Board of Directors[3] is ten (four independent directors included). There are four female directors, accounting for 40% of the total. In 2025, the Company appointed an employee director, further optimizing the Board structure and stakeholder governance mechanism. This strengthened the institutionalized channels for employee participation in corporate governance, effectively integrating employee voices into major corporate decision-making processes, thereby enhancing employee rights protection, labor compliance, and human capital management standards. The Board of Directors has established the Audit Committee, the Remuneration Committee, the Strategy and Risk Management Committee, the Nomination Committee and the Sustainability Committee. These committees assist the board in making legal, compliant, sound and accurate decisions, ensuring the effective operation of integrity and transparent corporate governance procedures.

Members of the Board of Directors have backgrounds and expertise in pharmaceuticals, corporate management, finance, accounting, law and manufacturing, possessing the professional knowledge and skills required to perform their duties and providing effective decision-making support for the Company's strategic planning with their diverse backgrounds and perspectives.

Name of Directors	Expertise of the Board of Directors					
	Corporate Management	Pharmaceutical Industry	Legal Compliance	Financial Management	Risk Management	Sustainability
Zhu Baoguo	✓	✓				✓
Liu Guangxia	✓					
Lin Nanqi	✓	✓				✓
Qiu Qingfeng	✓			✓	✓	
Xing Zhiwei	✓	✓				✓
Qin Yezhi				✓		
Peng Juan				✓		
Yin Xiaoxing		✓				
Shen Xiaoxu			✓		✓	
Yang Ying		✓				

The Company's directors and senior management actively engage in various training programs related to the standardized operation of listed companies. These include specialized training sessions and forums, professional courses on sustainability, internal training and reading regulatory newsletters and enforcement briefings on listing rules issued by the Stock Exchanges, etc. This enables them to stay updated on industry policy developments, listing regulatory information, ESG-related dynamics, and the company's code of business ethics, thereby continuously enhancing their ability to fulfill their duties.

2.1.3 Disclosure Transparency

In strict accordance with relevant standards and guidelines of the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE), the Group has formulated the *Management System for Information Disclosure Affairs* and actively fulfill our information disclosure responsibilities. We closely focus on the needs of investors, adopt diversified means of information disclosure, strengthen voluntary information disclosure, and make use of various channels such as the Group's official website, media reports, WeChat official account, etc., to enhance the timeliness and transparency of information disclosure, presenting the management status of the Group to investors in an all-round manner, and effectively guaranteeing that the majority of investors are able to obtain the relevant information in an equal, prompt and accurate manner.

In 2025, we filed and disclosed 171 documents in compliance with the information disclosure principle of authenticity, accuracy, integrity, timeliness and transparency, with a total Chinese character count of 2.948 million. Our information disclosure has been highly recognized by regulators and capital market. In 2025, Joincare was again rated "A" (Excellent) in the information disclosure assessment over listed companies organized by the SSE. It's the fifth year in a sequence we got this rating, and has received the highest honor of the award of the "Best Practices of the Office of the Board of Directors" selection held by the China Association for Public Companies (CAPCO) for two consecutive years.

[3] Board members and the date of formal appointment: Zhu Baoguo: December 1992; Liu Guangxia: July 1995; Qiu Qingfeng: August 2006; Lin Nanqi: December 2019; Xing Zhiwei: August 2024; Qin Yezhi: May 2020; Peng Juan: August 2021; Yin Xiaoxing: September 2023; Shen Xiaoxu: May 2025; Yang Ying: November 2025.

2.1.4 Investor Relations Management

Joincare, following the relevant requirements of the *Guidelines for Investor Relations Management of Listed Companies*, has formulated the I*nvestor Relations Management Measures*, established a mature communication mechanism, and conducts all-round communication and exchanges with investors through multiple channels. With the core objective of "deepening value communication and consolidating investor trust", we have built a multi-dimensional, three-dimensional investor communication system, comprehensively improving the sophistication of investor relations management, and effectively safeguarding the right to know, right to participate, and right to express of small and medium investors.

During the year, we continuously strengthened two-way communication with investors, holding a total of 3 results briefings, each attended by the Chairman and President together with the Chief Financial Officer, Board Secretary, and independent directors, with a 100% management attendance rate. Centered on market focal points such as the Company's operating results, strategic plans, R&D progress, and ESG practices, we engaged in in-depth exchanges with investors to tangibly enhance transparency and build closer relationships with small and medium investors. The Group also actively conducted investor engagement activities in various forms. In 2025, we held multiple activities including specific-target research visits, results interpretation conference calls, and "Listed Companies Open Day" events, receiving over 300 representatives of domestic and overseas institutional and individual investors, and comprehensively demonstrating the Company's value and development potential.

In terms of small and medium investor relations management, we have built a full-channel response mechanism combining "official platforms + new media + direct communication" to enhance service quality and efficiency.

Small and Medium Investor Communication

Efficient operation of the "SSE e-Interaction" platform, with dedicated staff available for real-time responses, handled 154 investor inquiries during the year, covering all types of concerns including operating data, business layout, and shareholders' rights.

Smooth telephone communication channels, with a dedicated investor hotline staffed during all working hours on business days, cumulatively answered a total of 303 calls during the year, providing professional answers to personalized questions and ensuring barrier-free communication.

Building a new media communication matrix for investor relations: leveraging the WeChat Official Account platform, innovatively using infographics and other formats to publish articles covering results interpretation, ESG achievements, investor education, and other content, improving the readability and reach of information.

During the year, Joincare's investor relations management achieved significant results. Through standardized, efficient communication services and solid measures to protect small and medium investors, the Company won wide recognition from the capital market.

Award Name

★ ★ ★

- Best Practice Award for Investor Relations Management
- Selected for the *Best Practice Cases in Investor Relations Management of Chinese Listed Companies 2025* compendium
- 5A rating in "2025 Performance Appraisal on Board Secretaries of Listed Companies"

2.2 Carrying Forward the Party-Masses Spirit

Joincare adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implements the decisions and deployments of the Party Central Committee on strengthening Party building in non-public enterprises, closely focuses on the Company's central development tasks, and solidly advances various Party building initiatives. We strengthen political guidance, strictly implement the "First Agenda" system, and organize Party members to deeply study the Party's innovative theories and the spirit of the latest meetings through "Three Meetings and One Lesson", special Party lectures, and other formats, consolidating ideological foundations.

In 2025, the Group focused on deepening the integration of Party building with business operations, incorporating Party organization activities into production and operations, technological breakthroughs, and social responsibility practices. Through establishing Party member responsibility zones and forming vanguard teams, we guided Party members to play an exemplary role in key positions and public welfare actions. Simultaneously, we actively explored forms of co-operative Party building, proactively linking with community, school, and other grassroots Party organizations to carry out collaborative practices of resource sharing, joint activity hosting, and jointly promoting development. This enriched the cultural connotations of Party-mass relations, enhanced the cohesion and social influence of the Party organizations, and injected solid "red momentum" into the Company's high-quality development.

Case

"Passionate Volunteers, Relay of Love" — Public Welfare Blood Donation Drive

In 2025, the Group's Party organizations actively responded to the social call and organized the "Passionate Volunteers, Relay of Love" voluntary blood donation public welfare activity. Party members took the lead, registered voluntarily, and actively encouraged their colleagues to participate enthusiastically. On the day of the event, Party member volunteers provided full assistance and orderly guidance, creating a warm and vibrant atmosphere. This public welfare action effectively alleviated the demand for clinical blood supplies, demonstrating the exemplary spirit of selfless dedication and service to society embodied by Party members from Joincare.

Voluntary Blood Donation Public Welfare Activity

Case

"Party Building Collaboration, Nurturing Talent" — Songping School Research Base Inauguration

Joincare upholds the principle of Party building-led school-enterprise collaboration and continuously explores new pathways for resource sharing and joint talent development. In 2025, the Group and Songping School in Nanshan District, Shenzhen successfully held the inauguration ceremony of the "Research and Practice Education Base" collaboration. The Group's Party organization representative attended the event, marking the establishment of a normalized educational cooperation mechanism between the two parties under the framework of co-operative Party building. In the future, the base will leverage Joincare's resources to provide a practical platform for enrolled students, promoting collaborative school-enterprise talent development. This is an important achievement of Joincare's efforts to deeply integrate Party building with social responsibility, and a vivid example of empowering educational development and achieving collaborative talent cultivation.

Inauguration Ceremony of the Base

2.3 Business Conduct

Joincare upholds the philosophy of integrity and self-discipline, strictly complying with laws and regulations including the *Anti-Unfair Competition Law of the People's Republic of China,* the *Interim Provisions on Prohibiting Commercial Bribery,* and the *Criminal Law of the People's Republic of China*. We continuously improve our integrity management system; the Group's Board of Directors Audit Committee is responsible for overseeing integrity management work encompassing business ethics, anti-corruption, and anti-unfair competition, while the Risk Management Department is responsible for assisting with implementation, ensuring lawful and compliant business operations. We also strengthen audit oversight of internal management, and enhance the Group's atmosphere of integrity through integrity culture advocacy covering all employees. During the year, Joincare had no cases of corruption, bribery, fraud, money laundering, conflicts of interest, unfair competition, customer privacy breaches, discrimination, or harassment.

2.3.1 Anti-Commercial Bribery and Anti-Corruption

The Group is well aware of the importance of integrity management, so we manage business ethics and anti-corruption issues at the level of the Board of Directors. The Board approved the revised version of the *Anti-Corruption and Anti-Commercial Bribery System*, *and the Anti-Fraud System* to further refine ethical standards and regulate the behavior of employees and partners. In addition, specific requirements have been set up for certain high-risk business segments, including the *Financial Management System*, the *Outbound Investment Management System*, the *Management Measures for Material Procurement of Joincare*, the Implementation Rules for Procurement Bid Evaluation of Joincare, the Implementation Rules for Bidding Management and other regulations to ensure legal and compliant operations. The systems mentioned above are applicable to all the employees of Joincare (including but not limited to full-time and part-time employees, interns, contractors).

We require all employees, management and partners to strictly implement the following measures and commit to ensuring the integrity of their own behavior. In light of the established policies and business ethics training initiatives, we have concluded that the Group's exposure to commercial bribery and corruption risks is low.

Employees	• All employees receive training on the code of conduct in relation to anti-corruption and anti-commercial bribery at the onboarding stage • Sign the *Commitment Letter of Anti-commercial Bribery* to clarify respective integrity responsibility and forbid violations
Management	• Sign the *Oath of Integrity for Senior Executives* of the Company to ensure that they perform their duties with integrity and self-discipline
Suppliers & partners	• All suppliers shall sign the *Anti-Commercial Bribery Agreement* as an appendix to commit anti-corruption and anti-commercial bribery and promise not to violate business ethics during the performance of the contract

2.3.2 Anti-Unfair Competition

The Group insists on operating in accordance with laws and regulations, strictly complying with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law*, and other laws and regulations. We have established a comprehensive anti-unfair competition management system covering dimensions such as the prevention of false advertising, control of monopolistic behavior, and protection of trade secrets, clearly prohibiting false or misleading commercial advertising, abuse of dominant market position, bid-rigging, and other behaviors. The Group ensures the effective operation of the management system and genuinely fulfils its corporate responsibility for a fair and competitive environment through improved internal control processes, compliance training, and strengthened supervision and inspection.

In 2025, the Group had no litigation cases arising from unfair competition conduct, and did not receive any relevant major administrative penalties.

2.3.3 AI Applications and Technology Ethics

To improve business process efficiency, the Group continuously explores the deep integration of information technology with daily business processes and operations management. In terms of office system applications, we use information systems such as Customer Relationship Management (CRM) systems, Enterprise Management Solutions (SAP) systems, and the "Feishu" office system to fully enable daily operations through digital means.

During the year, we continued to explore AI technology applications, achieving intelligent empowerment from R&D and production through to marketing and finance through a "deep full-scenario penetration + systematic efficient integration" model. Using Feishu as the collaborative platform, the Group integrated AI large models with business systems to build an "AI-driven ecological collaboration system", improving operational efficiency, compliance control, and business response speed. For AI applications in pharmaceutical R&D, please refer to Section 3.5.2 "Exploring AI Technology Applications" of this Report.

Case

AI-Assisted Drug Registration and Filing Process Efficiency — Pharma Intelligent Review Platform

To address challenges including low efficiency in manual review of drug registration documents, inconsistent standards, and version confusion, we built the "Pharma Intelligent Review Platform", integrating AI automated review, online collaborative writing, and Chinese-English comparative translation functions. Based on Electronic Common Technical Document (eCTD) standards and internal standardized processes, the platform enables real-time compliance risk prompts, supports multi-person collaborative editing and unified version management, and integrates an AI translation engine to improve registration document quality and international filing efficiency, driving intelligent and standardized pharmaceutical R&D development.

Case

AI-Assisted Reimbursement Receipt Audit — Business-Finance Integrated Reimbursement Platform

To address issues in traditional financial reimbursement processes including long compliance review cycles for receipts, cumbersome rejections, and inefficient cross-departmental collaboration, Joincare built a "Business-Finance Integrated Platform" integrating three core capabilities: OCR receipt recognition, AI compliance review, and process automation. Employees can conveniently submit reimbursement requests by voice or photo; the system automatically identifies and structures invoice information. Based on pre-set financial rules, the AI engine conducts real-time intelligent review of invoice authenticity, expense reasonableness, and budget matching, providing instant feedback. Reimbursement data is seamlessly connected with ERP systems and budget management systems, achieving full-process online processing, automation, and end-to-end traceability from application and approval through to bookkeeping, significantly improving financial processing efficiency and compliance levels.

Joincare keeps pace with AI technology development trends and holds AI competitions to stimulate company-wide innovation, promoting the integration of AI tools with actual work scenarios to boost work efficiency. During the year, we held the inaugural "AI Efficiency Pioneer Competition", attracting over 500 employee participants who submitted 112 innovative cases covering multiple fields including R&D, production, marketing, and finance, genuinely embedding AI capabilities such as OCR recognition, large model parsing, and automated processes into real work scenarios. The competition was evaluated by a panel of senior executives and external experts along dimensions including practicality, efficiency improvement effect, and innovation. Multiple outstanding projects were selected, such as the "AI Business-Finance Made Easy" project, which significantly reduced reimbursement rejection rates and achieved approximately 4,771 hours of saved review time throughout the year. Through incentive mechanisms such as bonuses and promotion credit points, we strive to create an atmosphere where "everyone can use AI and everyone can create value".

As a responsible pharmaceutical enterprise, the Group fully recognizes the tremendous potential of artificial intelligence in healthcare, strictly complies with applicable national laws, regulations, and industry-specific ethical guidelines for science and technology. The Group has formulated *Responsible Artificial Intelligence (AI) Use Policy*, and consistently grounds its AI applications on a solid foundation of scientific ethics. We adhere to the safe and prudent application of AI technologies, supplementing critical decision-making processes with necessary human oversight. We conduct regular safety assessments and continuous monitoring of all AI systems to promptly detect and rectify model performance drift, thereby mitigating algorithmic bias risks. Meanwhile, we clearly label AI-generated content and automated decision-making processes to ensure full transparency and controllability throughout the application of AI technologies. At the technical application level, we currently refrain from using sensitive AI functions such as facial recognition and surveillance analytics. Should such technologies be adopted in the future, we will implement hierarchical authorization and access control mechanisms to ensure their use complies with legal, regulatory, and ethical standards.

Furthermore, the Group systematically measures and quantifies the impacts of AI tools on environmental and social dimensions of sustainable development. We actively advocate for integrating green development concepts into AI technology applications and operational processes, calling upon partners to collectively reduce the carbon footprint of AI infrastructure through algorithm optimization, efficient computing resource allocation, and the use of clean energy. We also provide comprehensive AI application and safety training to all employees to ensure that Responsible AI practices are embedded throughout the entire lifecycle from development to deployment. We are committed to driving technology for social good and ultimately achieving the alignment of commercial value with social responsibility.

2.3.4 Audit and Reporting

Joincare complies with the applicable laws and regulations, such as the *Provisions of the National Audit Office on Internal Audit* and the *Guiding Opinions of the General Office of the State Council on Reforming and Perfecting the Comprehensive Supervision System for the Medical and Health Industry*, and formulates the *Rules for Implementation of the Audit Committee*, the *Internal Control* System, to regulate internal control work of the Group. We rigorously advance the Group's internal control and internal audit work in accordance with system requirements, and continuously optimize the system architecture in line with policy developments and business progress, continuously improving governance effectiveness and risk prevention and control capabilities.

We have established a Risk Management Department that is independent of the Group's business operations, responsible for conducting business ethics and anti-corruption audits across all Group businesses. Under the guidance of the Board's Audit Committee, the Risk Management Department formulates and implements annual audit and supervision plans, reviews and supervises the implementation of policies such as the *Anti-Corruption and Anti-Commercial Bribery System* and the *Anti-Fraud System* at each company, assesses the Group's business ethics and corruption risk levels, and evaluates the effectiveness of business ethics management measures. All members of the Risk Management Department are full-time staff who do not directly participate in production and business operations; their audit results are reported directly to the Board's Audit Committee, and they maintain a high degree of independence in terms of organizational structure, business operations, and personal performance of duties, to ensure the independence, impartiality, and objectivity of the audit work.

In 2025, the Risk Management Department conducted comprehensive audits of all the Group's subsidiaries in strict accordance with the annual plan, covering all business segments. The audit content covered the design and implementation of internal controls in key areas of subsidiaries' operations, including engineering management, financial and expense management, personnel management, procurement management, inventory management, quality management, EHS (Environment, Health & Safety) management, and contract management. The audit work went deep into the entire processes of each internal control module, systematically examining subsidiaries' operational management from risk identification and assessment, the design and implementation of control activities, through to information communication mechanisms and continuous monitoring systems, assessing and identifying risks and effectively safeguarding the compliance and internal control effectiveness of the Group's overall operations. To enhance the professionalism and credibility of the audit work, we also actively invited external independent third-party audit firms to participate in relevant work, further enhancing the objectivity and authority of audit results. During the year, no material audit deficiencies were identified.

The Group's annual comprehensive audits of all subsidiaries result in an Annual *Risk Management and Internal Control Assessment Report*, and a targeted audit plan is formulated. For issues identified during audits, we promptly put forward rectification recommendations, requiring audited entities to complete rectifications within 100 days, and conducting follow-up verification of rectification results to ensure that audit issues are genuinely resolved and managed on a closed-loop basis.

Joincare has formulated and publicly released the Measures for the *Management of Reporting and Complaining* and the *Reporting and Whistleblower Protection Policy*, continuously improving the reporting management and whistleblower protection mechanism, standardizing reporting procedures, and clearly stating that all employees, customers, and suppliers of the Group have the right to report and file complaints regarding corrupt practices, fraud, and other illegal or non-compliant behaviors or to contest any AI decision or outcome, fully safeguarding the reporting rights of employees and business partners.

We have established multiple publicly accessible reporting channels including correspondence, telephone, and email. The Group's Risk Management Department is responsible for receiving reports, promptly investigating and handling them, and compiling and reporting them upward, completing the process within 30 days of receipt and notifying the reporter of the outcome. We strictly maintain confidentiality of the personal information of reporters and the content of their reports in accordance with system requirements. We classify reporting materials and records as confidential documents managed by dedicated staff, ensuring that reporters are not subject to retaliation due to information leaks, and fully safeguarding the legitimate rights and interests of reporters. If any employee is found to have violated confidentiality provisions, leaked reporter information, or retaliated against a reporter, they will be held legally accountable.

Joincare's Reporting and Complaint Channels

- Tel: 0755-86252316 / 0755-26980226
- Internal email: SAMD@joincare.com External email: joincaresamd@163.com
- Address: Joincare Pharmaceutical Group Building No. 17-2 Langshan Road, Nanshan District, Shenzhen, Guangdong
- Human Resources Complaints and Reporting Mailbox: hr.group@joincare.com

2.3.5 Promoting an Integrity Culture

Joincare continuously strengthens the building of an integrity culture, deeply integrating the integrity philosophy into the operational risk prevention and control system, and is committed to creating a corporate cultural atmosphere of fairness, openness, integrity, and transparency. We have explicitly incorporated business ethics-related requirements into the *Employee Handbook* as the basic code of conduct for all employees, and have specially set up a business ethics advocacy session in new employee onboarding training to reinforce employees' awareness of integrity and compliance concepts.

In 2025, through a combination of online and offline training, we conducted annual business ethics training for all employees (including full-time, part-time, and contract employees), focusing on key content such as the requirements of the *Anti-Corruption and Anti-Commercial Bribery System* and the *Anti-Fraud System*, and employee integrity regulations. The training explained these system requirements in detail to improve employees' understanding of anti-corruption, anti-commercial bribery, and anti-fraud requirements, ensuring that the Group's business ethics-related policies are effectively implemented in daily work. Meanwhile, all directors and senior management of the Group participated multiple times in training on standardized operations for listed companies, covering key topics such as compliance management, anti-commercial bribery, anti-monopoly, and risk management, continuously improving the compliance performance capability of senior management. We also extended integrity requirements to the supply chain, organizing anti-corruption thematic training for suppliers to help them fully understand and comply with the Group's standards and requirements on business ethics, jointly maintaining a clean, fair, and trustworthy business ecosystem. During the year, the coverage rate of business ethics training stands at 100% across the Board of Directors, senior management, and all employees.

Total number and percentage of directors, management, and employees who have received anti-commercial bribery and anti-corruption training

Category	Number of Persons (persons)	Training Coverage Percentage
Directors	Joincare:10; Livzon Group:11	100%
Management	1,566	100%
Employees	12,009	100%

Case

Directors and Senior Management of Joincare Participate in Anti-Corruption and Risk Management Training

Joincare consistently provides all directors and senior management with specialized annual training on anti-corruption and risk management, continuously strengthening their compliance awareness and risk management capabilities. In 2025, all directors and senior management of the Group participated in thematic training provided by external professional institutions and senior legal experts. The training content covered core topics including business ethics and anti-corruption compliance, prevention of performance-related risks in the new regulatory environment, and compliance responsibilities in ESG governance, with a training coverage rate of 100%. In addition, by regularly pushing out brief regulatory updates and case analyses, we help management acquire key compliance knowledge, strengthen risk awareness, and continuously reinforce the integrity of professional conduct.

2.4 Data Security and Customer Privacy Protection

Joincare has established a comprehensive information security management system, formulating group-wide information security management policies and standards including the *Information Security and Privacy Protection Policy, Management System for the Security of Computer Information System,* the *Management Requirements for IDC Data Center Operation and Maintenance*, the *Backup System* and the *Process of Reporting Suspicious Affairs of Information Security.* We have established a Group information security management organizational structure, with the CEO serving as the highest responsible person for information security management. We have also established a Chief Information Officer (CIO) to comprehensively oversee information security management, data governance, and IT construction work. The CIO has extensive experience in the field of information security strategy, ensuring the efficient and stable operation of the Group's information security system. Our information security and technology team members also hold certifications including Microsoft Certified Systems Engineer (MCSE), Microsoft Certified IT Professional (MCITP) and Cisco Certified Network Associate (CCNA). Drawing on their deep expertise in large-scale enterprise-level network architecture design, secure communications, and system stability operations and maintenance, the team has built a multi-dimensional defense system, providing security, stability, and reliability for the Group's information assets and network environment.

We conduct annual information security vulnerability scans and analyses. In daily operations, the Group has deployed an Endpoint Detection and Response (EDR) system to fully resist virus attacks on endpoint computers; built a next-generation firewall and conducted network penetration tests to deeply examine system security, simultaneously performing security assessments and vulnerability scanning; and built an Intrusion Prevention System (IPS) security mechanism centered on intrusion detection, using multiple defense technologies to accurately identify security threats in real time and promptly terminate intrusion activities. In addition, we regularly perform data backup tasks and conduct regular inspections of hardware equipment to effectively ensure data security.

We have formulated information security-related business continuity plans. To effectively respond to unexpected disaster events, the Group has formulated and implemented the *Emergency Plan for Network Server Systems and the Disaster Recovery Plan for Information Systems,* clearly defining response mechanisms, handling processes, and countermeasures in the event of emergencies. We regularly organize relevant emergency drills to test the feasibility and completeness of emergency plans, further reinforcing information security barriers and ensuring business continuity. We also conduct annual backup device tests and simultaneous data disaster recovery drills to verify the actual effectiveness of relevant emergency plans.

The Group continuously improves its information security management level, engaging third-party independent institutions each year to conduct annual audits of the Group's information systems and information security policies, ensuring that privacy protection policies operate effectively. The Group also conducts information security internal audits, covering modules such as information security management systems, IT infrastructure, and process operating environments, ensuring the effective operation of the information security management system. We protect the identity, disease, biological sample, and other information of trial subjects from disclosure through measures such as anonymization, coding, and dedicated management. During the year, the Group had no information security or privacy breach incidents.

In addition, Joincare has established a process for employees to report information security-related incidents, vulnerabilities, or suspicious activities, covering suspicious matters detection, internal reporting, incident assessment, response, feedback, and communication. The Group has formulated detailed guidelines for information security reporting. If employees discover any suspicious activities, vulnerabilities, threats, or violations related to information security, they should immediately record the relevant details — including the time, location, persons involved, and incident description — and report the details to the information security team through email, internal reporting systems, or other designated channels. The information security team is responsible for assessing and investigating suspicious incidents and taking appropriate measures to handle them, which may include patching vulnerabilities, upgrading security measures, initiating security incident response plans, and taking legal action. Progress and outcomes of the handling are fed back to the reporter.

In terms of information security and privacy protection training, we require all Group employees to participate in information security and privacy protection training. We regularly organize information security training courses and incorporate them into the new employee onboarding training system; we also use online training formats to impart information security knowledge to employees, covering high-risk information security risks and defensive measures and key security precautions in daily work. During the National Cybersecurity Awareness Week, we push information security prevention knowledge through the Feishu platform, committed to improving all employees' information security awareness and risk prevention capabilities. As of the end of the Reporting Period, data security and privacy protection training has covered all employees.

PART 03 Innovation-Driven Development

Joincare is deeply rooted in the healthcare industry, resolutely implementing the core strategy of "innovation-driven and AI-empowered." We prioritize patient interests, focus on unmet clinical needs, and develop a rich and well-structured pipeline of innovative drugs. We extensively explore the diverse applications of AI technology in the pharmaceutical field, driving continuous innovation and technological empowerment to deliver higher-quality pharmaceutical products and health solutions.

SDGs in this section

3.1 Governance

A sound governance structure is the cornerstone for the Group to ensure the implementation of its innovation strategy and improve R&D efficiency. Joincare has established and continuously improved a three-tier R&D innovation governance structure of "Decision-Making — Management — Execution", ensuring that the R&D strategy is deeply aligned with both commercial value and patient needs.

Decision-Making Tier

The Board of Directors, as the highest responsible body for R&D governance, is responsible for regularly reviewing R&D strategy, annual R&D investment, and major project decisions, overseeing the setting of management targets and tracking target progress. Members include independent directors with pharmaceutical R&D backgrounds, covering fields such as clinical research and pharmacy.

Management Tier

The **R&D Management Team**, under the leadership of Joincare's CEO, is responsible for coordinating R&D resource allocation and promptly organizing the resolution of major project issues. Management conducts quarterly "Go/No Go" and priority assessments of projects under development, with a focus on scientific validity, druggability, and commercial value, to optimize resource allocation efficiency.

Execution Tier

Project Teams: A dual-track system of "Project Leader (Clinical Center Director) + Project Manager" is implemented, with each key project staffed by a cross-disciplinary team (including pharmacy, non-clinical, and clinical research), responsible for daily operations and progress management.

Technology Platforms: Two core technology platforms — inhalation drug delivery and AI drug design — provide technical support for projects under development.

Joincare has established a comprehensive information reporting mechanism to ensure efficient transmission of R&D developments and precise implementation of decisions. The Execution Tier submits weekly project progress reports to the Management Tier, including key data and risk alerts, ensuring project indicators are traceable and controllable. The Management Tier provides real-time special reports to company directors and senior management every two months on the implementation of R&D strategy, covering major milestones such as clinical approval notices received and completion of Phase III clinical trials, comprehensively ensuring that the Decision-Making Tier has timely and accurate knowledge of overall R&D developments.

3.2 Strategy

The Group fully identifies risks and opportunities related to the innovation-driven development issue, assessing their potential impact on the Group's business and finances in the short, medium, and long term[4].

Risk Type	Business Impact	Financial Impact	Time Horizon
Long R&D cycles and high costs for innovative drugs	May cause delays in the R&D pipeline and missed market opportunities	Long-term occupation of R&D capital; may reduce the efficiency of the company's use of funds	Medium to Long Term
Termination of innovative drug R&D projects	May result in the inability to recoup invested resources, affecting the product pipeline development	May cause prior investment to be non-capitalizable, placing short-term pressure on cash flow	Short Term

Opportunity Type & Impact

The adoption of AI technologies can accelerate the R&D process and improve innovation efficiency. Following the successful development of innovative drugs, the Company can further expand market reach and generate higher profits through technology licensing and other commercialization models.

- **AI-enabled R&D:** In specific R&D projects, we leveraged AI-driven molecular design as a foundation and refined the process with wet-lab data. Ultimately, the target molecule derived through traditional rational medicinal chemistry design achieved the best in vivo activity results, significantly improving both R&D efficiency and the quality of outcomes.
- **Commercialization of innovative drugs:** Pixavir Marboxil Capsules (壹立康 ®), an innovative drug, were launched on December 11, coinciding with the peak winter influenza season. Strong market demand created favorable conditions for product promotion and commercialization.

Based on systematic assessment of risks and opportunities, we dynamically optimize strategic planning and decision-making mechanisms, promoting the coordinated development of R&D and commercial value. We have established a full-process decision-making system oriented towards "clinical value + commercial potential", implementing "Go/No Go" assessments at key nodes such as target selection and clinical advancement, providing technical support to optimize resource allocation and improve R&D success rates. For opportunities such as AI enablement and overseas expansion, we strengthen cross-departmental collaboration to rapidly convert technology and select external partnering opportunities. In the face of risks such as long R&D cycles and high costs, we adopt a model combining in-house R&D with collaborative development to diversify risks and ensure R&D continuity.

In line with the Group's strategy, we anticipate the following trends in financial position, operating results, and cash flows over the short, medium, and long term:

Short Term

R&D investment continues to increase with phased pressure on cash flow, but operating results will gradually improve as innovative drugs such as Pixavir Marboxil Capsules are brought to market.

Medium Term

Core R&D pipelines enter the commercialization phase, a multi-product matrix is formed, and innovative drugs become the core revenue engine.

Long Term

Technology barriers and market share are progressively solidified, domestic and overseas markets grow in synergy, R&D and revenue form a virtuous cycle, achieving long-term stable development.

[4] The time horizons are defined consistently with those set out in the "Sustainability Management" chapter, namely short-term (0–3 years), medium-term (4–10 years), and long-term (over 10 years). These definitions are aligned with the Company's strategic planning and resource allocation plans.

3.3 Impact, Risk and Opportunity Management

The Group has established an identification, assessment, and management mechanism for impacts, risks, and opportunities related to the innovation-driven development issue, and has incorporated this into internal management processes.

Identification & Assessment

Identify risks and opportunities through internal reviews and external research: internally reviewing potential risks throughout the R&D process, and externally tracking developments such as technology iterations, policy orientations, and market demand. Assess the probability of risks and opportunities and their impact on R&D progress, costs, and commercial value from two dimensions: likelihood and magnitude of impact.

Prioritization

Rank based on comprehensive consideration of strategic alignment and impact weight: on the risk side, prioritize handling core matters with both high likelihood and high impact (e.g., clinical data failing to meet expectations); on the opportunity side, prioritize implementing matters that align with the Group's core tracks and have short conversion cycles (e.g., AI R&D technology applications).

Monitoring & Management

Establish a process of daily monitoring by project teams, weekly reviews by project management, and quarterly reviews by the Decision-Making Tier. Project teams track risk and opportunity developments in real time, with immediate reporting of major matters; develop specialized contingency plans for high-priority matters, clearly defining responsible departments and response measures to ensure rapid response.

Process Integration & Adjustment

Incorporate the above management processes into internal processes such as R&D decision-making, budget management, and cross-departmental collaboration, combining them with "Go/No Go" assessments and R&D investment allocation.

3.4 Metrics and Targets

The Group focuses on the core objectives of driving the R&D and market launch of innovative drugs, formulating corresponding monitoring indicators and progress tracking mechanisms to ensure the effective implementation of the innovation-driven strategy.

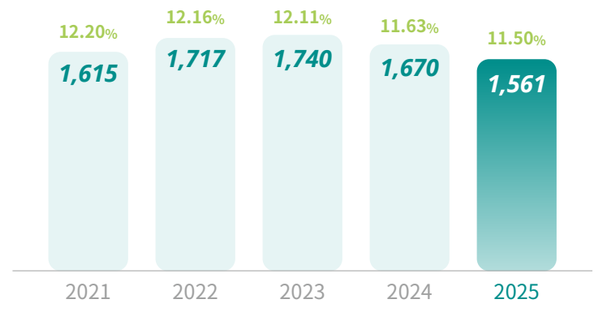
Metrics & Targets	2025 Achievement Status
Maintain a certain number of innovative drug submissions for clinical trial applications or approved market launches each year	Target achieved. During the year, the Group had 2 innovative drug approved for market launch, 1 innovative drug filed for production approval, 5 innovative drugs entered Phase III clinical trials, 10 innovative drugs entered Phase II clinical trials, and 4 innovative drugs received clinical trial approvals. Key R&D or registration progress is detailed in the table below.

Table: Key R&D or Registration Milestones for Joincare in 2025

Date	Key R&D or Registration Milestone
January 2025	FIC COPD oral drug PREP inhibitor commenced Phase I bridging study in healthy subjects
May 2025	Aripiprazole Microspheres for Injection approved for market launch
June 2025	Pixavir Marboxil Dry Suspension (paediatric formulation) received Clinical Trial Approval Notice
July 2025	Lecankitug Injection (IL-17A/F) Phase III clinical trial achieved primary endpoint
July 2025	New polymyxin B derivative (BRII-693) added to pipeline, enriching the anti-infective R&D portfolio
August 2025	JP-1366 tablets submitted for production approval
August 2025	Novel β-lactamase inhibitor injection formally entered Phase I clinical trial
November 2025	FIC COPD oral drug PREP inhibitor completed first patient enrolment in Phase II clinical trial
November 2025	Pixavir Marboxil Dry Suspension (pediatric formulation) completed first patient enrolment in Phase III clinical trial
December 2025	DPP-1 inhibitor added to pipeline, formally entering the Preclinical Candidate (PCC) stage
December 2025	Influenza innovative drug Pixavir Marboxil Capsules approved for market launch
December 2025	Lecankitug Injection (IL-17A/F) submitted for production approval, and included in priority review in January 2026
December 2025	TSLP monoclonal antibody completed Phase III clinical trial registration

In addition, we also regard the scale of the R&D team and R&D investment as important indicators for measuring the management performance of the innovation-driven agenda. As of the end of the Reporting Period, the Group's R&D team has grown steadily, with R&D personnel reaching 1,561. Simultaneously, we have continued to increase investment in the R&D field; R&D investment for the year was RMB1.429 billion, representing 9.39% of the total audited revenue for the year.

2021-2025 Number and Proportion of R&D Personnel



3.5 Our Management Practices

Joincare focuses on innovative drug R&D, actively exploring frontier technologies and development opportunities both domestically and internationally. Through an R&D model combining in-house R&D, external in-licensing, and collaborative development, we deeply cultivate key therapeutic areas including respiratory diseases, pain management, gastroenterology, assisted reproduction, and psychiatric disorders, continuously expanding our portfolio in advantaged areas and our innovative drug R&D pipeline.

We actively explore the application of AI technology in pharmaceutical development, adopting globally leading AI models to comprehensively improve R&D efficiency in areas including target identification, molecular design, and molecular screening, shortening R&D cycles and accelerating the market launch process for innovative drugs. By integrating machine learning and generative AI, we have achieved a substantive transition in the R&D paradigm from "experience-driven" to "data-driven", significantly improving the accessibility of innovative drugs.

3.5.1 Multi-Domain Product Development

Committed to Respiratory Health

Chronic respiratory diseases, including chronic obstructive pulmonary disease (COPD), asthma, and other conditions, are a major category of diseases characterized by high prevalence, high disability rates, high mortality, and a high disease burden. With "Joining us in respiratory care" as its starting point, Joincare continuously improves its respiratory medication market positioning to support the treatment of respiratory diseases domestically. After years of steady development, our existing and pipeline products now cover all categories of inhalation therapy drugs for COPD and asthma, providing more high-quality and safe medication options for COPD and asthma patients. As of the end of the Reporting Period, the Group has 10 varieties with 14 specifications of inhalation formulation products on the market.

The Group has achieved a strategic breakthrough in building an R&D team ladder in the respiratory disease field, with over 20 R&D pipelines including over 10 Category 1 innovative drugs. In the respiratory innovation product area, full formulation coverage of inhalation, oral, and injection forms has been achieved, forming a powerful respiratory disease product matrix. In 2025, Joincare's new influenza drug Pixavir Marboxil Capsules (壹 立 康 ®) received approval for market launch; the pediatric influenza drug Pixavir Marboxil Dry Suspension entered Phase III clinical trial. Multiple innovative drug candidates for the treatment of COPD have achieved significant progress, including: the TSLP monoclonal antibody advancing to Phase III clinical trials; the MABA inhalation solution and the first-in-class (FIC) PREP inhibitor oral tablet progressing smoothly through Phase II clinical development; and several Class 1 innovative drugs attaining milestone achievements.

Case

Joincare's Anti-Influenza Category 1 Innovative Drug Pixavir Marboxil Capsules Approved for Market Launch

Influenza is a major threat to global public health. According to the WHO, seasonal influenza causes 3 to 5 million severe cases and 290,000 to 650,000 deaths globally each year. In China, influenza leads to over 2 million acute respiratory infection hospitalizations annually, approximately 90,000 of which are directly related to influenza virus, with an economic burden exceeding RMB 60 billion.

In December 2025, the innovative drug Pixavir Marboxil Capsules (壹 立 康 ®) developed by Joincare received formal approval for market launch, providing a new solution for influenza A and B patients who are adolescents aged 12 and above and adults. Pixavir Marboxil Capsules is a Category 1 innovative anti-influenza drug and a novel cap-dependent endonuclease inhibitor, characterized by rapid onset, long-lasting virus suppression, good tolerability, and oral administration unaffected by food, able to simultaneously and effectively suppress both Influenza A and B viruses. Phase III clinical trial data showed that Pixavir Marboxil Capsules also demonstrated faster virus suppression and higher symptom improvement rates in adolescents aged 12–17, with a good safety profile. Pixavir Marboxil Capsules provides long-lasting virus suppression, and treatment can be achieved with a single oral dose throughout the course, significantly improving clinical compliance, reducing the burden of medication on patients, and providing a smoother treatment process for primary care settings and peak consultation scenarios.

Furthermore, targeting children as a high-risk group for influenza, Joincare's Pixavir Marboxil Dry Suspension has received approval to advance to Phase III clinical trials. The child-friendly formulation and single-dose administration are expected to effectively address the challenges of administering medication to young patients and their poor compliance, with the potential to realize "family-wide applicability" in prevention and control scenarios in the future.

Case

Joincare's FIC Innovative Drug MABA Inhalation Solution Successfully Advances Phase II Clinical Trial

In 2025, Joincare's innovative drug MABA Inhalation Solution for COPD successfully advanced its Phase II clinical trial. This FIC drug has a unique "dual-target" mechanism of action, achieving the innovative design of simultaneously acting on two major targets — the M3 receptor and the β2 receptor — in a single molecule, providing a completely new solution to current COPD treatment challenges. The dual-target mechanism successfully avoids the efficacy limitations and potential side effect risks that may be faced with monotherapy, and can achieve dual improvement of COPD disease symptoms and lung function through the synergistic effect of "dual targets", significantly enhancing treatment efficacy and patient treatment compliance. Simultaneously, this drug has the dual therapeutic advantage of both rapid onset and long-lasting effect, and is expected to be a powerful complement or even replacement for existing treatment regimens. In terms of safety, this drug can significantly reduce the possibility of side effects on the central nervous system, bringing COPD patients a new treatment option that is more effective, convenient, and safer.

Case

Joincare's Best-in-Class (BIC) Next-Generation Glucocorticoid (ICS) Inhalation Formulation Investigational New Drug (IND) Approved

A large number of patients in China are affected by inflammatory respiratory diseases, and glucocorticoids, as endogenous anti-inflammatory small molecules, can act on glucocorticoid receptors (GR) to regulate the transcription of genes related to inflammation to inhibit the expression of inflammatory factors and suppress immune cell proliferation. Joincare's IND application for its next-generation small-molecule ICS formulation was approved in March 2026. Targeting respiratory diseases such as COPD, bronchial asthma, and rhinitis, this drug can activate specific receptor activity to effectively improve efficacy and reduce toxic side effects, and is expected to become a new treatment option for COPD, bronchial asthma, and rhinitis patients. Data shows that in mouse OVA asthma models, this drug demonstrated efficacy more than 3 times higher than currently available glucocorticoids in clinical use, with the potential to become a BIC drug, marking an important advance by a Chinese enterprise in global next-generation glucocorticoid R&D.

Case

Joincare Launches Next-Generation DPP-1 Inhibitor R&D Project

Bronchiectasis is a disease area with insufficient clinical attention but a heavy disease burden. Currently, treatment options for bronchiectasis are limited globally; while the patient population is relatively large, there is a lack of mechanistic drugs that can effectively halt disease progression.

Building on its mature R&D system accumulated over a long period in the respiratory drug field, Joincare has formally included the DPP-1 target in its core innovation pipeline. As a key initiating enzyme for neutrophil activation, continuous activation of DPP-1 leads to excessive release of neutrophil elastase (NE), which in turn destroys airway tissue and causes irreversible bronchiectasis. According to the latest international research, DPP-1 inhibitors are expected to become the "first class of causative therapy" for bronchiectasis; the world's first drug of the same mechanism has received FDA approval for market launch this year, which can inhibit disease progression at the causative level and alleviate patient symptoms, bringing new treatment options to patients.

Deepening Biopharmaceuticals

Over the years, the Group's subsidiary LivzonBio, a dedicated player in the biopharmaceutical field, has built mature R&D and manufacturing technology platforms for antibody drugs and fusion protein drugs. It also focuses on product development in areas such as autoimmune diseases, reproductive health, and infectious disease prevention, carrying out and advancing multiple innovative vaccine, monoclonal antibody, and recombinant protein drug R&D projects.

LivzonBio has accelerated the initiation of new product projects through in-house R&D, external in-licensing, and strategic alliances. Relying on its comprehensive recombinant protein drug research, development, and industrialization capabilities, it continuously enriches the company's in-development product pipeline and improves the commercialization capability of its products. During the year, LivzonBio was actively progressive at the R&D stage, fully advancing multiple key projects. Among these, the psoriasis indication for the IL-17A/F dual-target inhibitor Lecankitug was submitted for production approval and granted priority review by the National Medical Products Administration's Center for Drug Evaluation (CDE); the ankylosing spondylitis indication has completed the Phase III clinical trial; and the BIC-potential quadrivalent recombinant protein influenza vaccine LZSN2401 has completed the Phase I clinical trial subject dosing.

Case

LivzonBio's BIC Drug — Quadrivalent Recombinant Protein Influenza Vaccine Completes Phase I Clinical Trial Subject Dosing

Influenza is a seasonally prevalent disease that poses a significant health threat to the elderly population, and traditional split vaccines have limited protective efficacy for immunocompromised populations such as the elderly, making the development of more effective vaccine technologies urgent.

The quadrivalent recombinant protein influenza vaccine LZSN2401, independently developed by LivzonBio, is the world's first quadrivalent recombinant protein influenza vaccine containing an adjuvant. It adopts a dual approach of "recombinant protein technology + innovative adjuvant" to overcome the limitation of traditional vaccines in generating insufficient immune responses in vulnerable populations, and has the potential to become a BIC drug domestically. In October 2025, this vaccine completed the dosing of all subjects in the Phase I clinical trial. Initial follow-up observations show that the vaccine has a good safety profile with no serious adverse reactions, and is expected to provide influenza immunization for high-risk groups such as the elderly with stronger protective efficacy and better safety.

Case

LivzonBio's Lecankitug — Psoriasis Indication Granted CDE Priority Review

Psoriasis is a global skin disease, with approximately 7 million patients in China and a heavy disease burden. Traditional therapies have limited efficacy for approximately 40% of patients, and the overall utilization rate of biological agents remains below 10%.

Lecankitug, independently developed by LivzonBio, became the first China-developed IL-17A/F dual-target inhibitor and the second such candidate globally to enter this stage of development. Its pivotal Phase III study is the first and only superiority study in China's psoriasis treatment field using an active drug (Secukinumab) as a comparator, and the only study with PASI100 (100% lesion clearance) as the primary efficacy endpoint. Data shows that this drug demonstrates significant advantages in speed of onset, short-term and long-term lesion clearance rates, and other aspects, with a more convenient dosing regimen that can significantly improve patient compliance. In January 2026, the product's psoriasis indication has been submitted for production approval and granted CDE priority review, and the ankylosing spondylitis indication has completed Phase III clinical trials. As the only originator product within this target class domestically to have obtained this expedited qualification, Lecankitug is expected to redefine the treatment standard for moderate-to-severe psoriasis and provide better options for patients who have long lacked ideal treatment regimens.

Positioning in Sustained-Release Microspheres

Microspheres are small spherical polymers with a particle size in the range of 1–250 μm prepared from polymer materials, encapsulating one or more drugs. Compared with traditional injectable formulations, microsphere formulations have specific targeting towards the target organ, with advantages such as a long sustained drug release time and high bioavailability, which can significantly improve the convenience and compliance of patient medication, representing outstanding clinical advantages. The Group's subsidiary Livzon Microsphere focuses on three major areas — anti-tumour, endocrine regulation, and anti-psychiatric disease — fully utilizing the long-acting and sustained-release characteristics of microsphere formulations to conduct in-depth research into long-acting formulation technologies with independent intellectual property rights.

During the year, Livzon Microsphere's improved new drug Aripiprazole Microspheres for Injection received approval for market launch in May, and was successfully included in the National Medical Insurance Drug List and the *Guidelines for Prevention and Treatment of Schizophrenia in China (2025 Edition)*. Triptorelin Acetate Microspheres for Injection's endometriosis indication was included in the medical insurance reimbursement scope and successfully renewed; Phase III clinical trial enrolment for the central precocious puberty indication was also completed, with new breakthroughs expected in this field. In 2026, the clinical trial application for Brexpiprazole Microspheres for Injection for the treatment of schizophrenia was submitted in January and, following acceptance by the NMPA, was approved in March.

Focused on Psychiatric Disorders

Psychiatric diseases severely affect the lives of hundreds of millions of people worldwide, causing not only great harm to patients' physical and mental health but also imposing a heavy burden on families and society. Joincare's controlling subsidiary, Livzon Group, has actively positioned itself in the psychiatric disease field, launching multiple marketed products and investigational drugs targeting psychiatric diseases over the years. Among these, Aripiprazole Microspheres for Injection, developed by Livzon Group, received formal approval for market launch in 2025. As a long-acting formulation, this drug reduces administration frequency through sustained-release technology and can effectively improve the pain point of poor medication compliance in schizophrenia patients. Compared with traditional oral drugs, long-acting microspheres can maintain a more stable blood drug concentration, significantly reducing the risk of relapse. In addition, Livzon Group introduced NS-041, a Category 1 innovative drug intended for the treatment of epilepsy and depression; the Phase II clinical trial of NS-041 tablets for the epilepsy indication has been initiated, with the first subject enrolled in July 2025; patient enrollment is progressing smoothly. The depression indication received clinical trial approval in December 2025, allowing direct progression to Phase II clinical trial.

Case

Livzon Group's BIC Drug NS-041 — R&D Progress for Two Indications Proceeds Smoothly

KCNQ2/3 potassium ion channels are frontier targets for treating central nervous system diseases such as epilepsy and depression; however, next-generation targeted drugs remain an unmet global need. Facing this major unmet clinical need, NS-041, independently developed by Livzon Group, is the only KCNQ2/3-targeted innovative drug in China simultaneously conducting clinical research for both epilepsy and depression indications. This drug demonstrated advantages in preclinical studies including high target selectivity, low off-target risk, and no dependency tendency, and avoids potential ocular toxicity issues seen with similar compounds, aiming to provide a safer and more precise treatment option from the ground up.

In 2025, the epilepsy indication of Category 1 innovative drug NS-041 entered Phase II clinical trial, and the depression indication also received approval to conduct Phase II clinical trial. The advancement of this project represents Livzon Group's innovative positioning in the field of neurological diseases; by tackling frontier targets, it provides new possibilities for hundreds of millions of related patients globally to potentially obtain better therapies in the future.

3.5.2 Exploring AI Technology Applications

Traditional drug R&D has core pain points of long cycles, high costs, and low success rates; from target discovery and compound screening through to clinical trials, each stage requires large investments of manpower and time, and is prone to R&D direction errors caused by limitations in information and experience. Currently, AI technology centered on machine learning and deep learning is bringing tremendous changes to various fields. AI technology has deeply penetrated the entire drug R&D chain and is rapidly iterating, empowering key decisions at each stage, effectively compressing R&D cycles, reducing trial-and-error costs, and significantly improving the overall efficiency and success probability of new drug R&D.

Joincare is committed to deeply exploring the application potential of AI technology. In the project research phase, we use AI agents to rapidly collect, precisely screen, and intelligently read and synthesize large volumes of literature, patents, and clinical data from multiple sources, laying a reliable foundation for subsequent validation and analysis work. In the virtual screening stage, we use AI models to efficiently screen for sets of candidate molecules with potential biological activity. We use AI models to conduct structure-activity relationship analyses to clarify the direction for optimizing molecular structure modifications, enabling precise optimization of candidate molecules; use deep learning models based on retrosynthesis analysis to design efficient, low-cost, and easy-to-operate synthesis routes for optimized candidate molecules, significantly reducing experimental costs; and use AI models to predict the absorption, distribution, metabolism, excretion, and toxicity profile of molecules, eliminating druggability risks in advance and screening for high-quality molecules with clinical translation potential. In the future, the Group will continue to explore AI technology, improve R&D innovation capabilities, and support the high-quality development of the pharmaceutical industry.

Case

Joincare Uses AI to Support the Discovery of Lead Compounds in the COPD Field

In 2025, in its research on COPD drugs, Joincare integrated and applied multiple artificial intelligence technologies including molecular generative models, quantitative structure-activity relationship (QSAR) models, ADMET property prediction models, and AI-driven synthesis route design, providing precise compound screening strategies and druggability optimization directions for the full drug R&D process. This significantly compressed the R&D cycle and experimental trial-and-error costs, and lead compounds with druggability potential were obtained in just 6 months.

3.5.3 External Collaboration and Recognition

While strengthening independent innovation, the Group continuously deepens collaborative development and in-licensing of key varieties in core fields. By connecting with global advantaged resources and frontier technologies, it strengthens the Group's commercialization and integration capabilities. During the year, we made phased progress in business development, in-licensing multiple innovative drugs and continuously expanding indications in respiratory diseases, pain management, and other areas.

Case

Joincare's FIC PREP Inhibitor Completes First Patient Enrolment in Phase II Clinical Trial

The PREP inhibitor is a globally first-in-class mechanism drug that effectively blocks the production of COPD inflammatory mediators by inhibiting PREP activity. In November 2025, the PREP inhibitor jointly developed by Joincare and Bayer AG of Germany officially launched Phase IIa clinical trials, with the first COPD patient successfully enrolled, marking another breakthrough by Chinese innovative drugs in the respiratory field.

Based on prior research, this PREP-target oral COPD drug has already completed Phase I clinical trials in Europe, with results showing good safety and tolerability, providing important support for subsequent trials. Simultaneously, preclinical data indicates that the drug's efficacy potential is no less than that of currently innovative oral COPD drugs already marketed overseas but not yet approved in China, and its safety is significantly superior. If development is successful and market approval is obtained, this new drug would become the world's first marketed PREP inhibitor, and is also expected to become the first approved oral COPD treatment drug in China. This drug targets important treatment needs that remain unmet clinically, aiming to provide a completely new treatment option for related diseases, potentially filling the treatment gap in the domestic market and providing patients with a more effective and safer treatment regimen.

3.5.4 Focus on Rare Diseases

Rare diseases, also known as "orphan diseases", have unclear exact causes and very low incidence rates. Because the market demand for treatment drugs is low while R&D difficulty is high and clinical medication experience is lacking, rare diseases typically have extremely high treatment costs or are even untreatable. As a responsible pharmaceutical enterprise, guided by relevant policies such as the *"Healthy China 2030" Planning Outline* and the *Rare Disease Diagnosis and Treatment Guidelines*, Joincare fully leverages its scientific research platforms and capability advantages to actively engage in rare disease research, committed to improving the diagnosis and treatment situation for rare diseases in China and supporting the construction of Healthy China.

Malignant Hyperthermia

Malignant Hyperthermia (MH) is a rare hereditary disease clinically that can cause perioperative death from routine anesthetic drugs, with a very low incidence but a very high mortality rate. In October 2020, Livzon Group, a controlling subsidiary of Joincare, obtained the registration approval for Dantrolene Sodium for Injection, the only specific drug for treating MH, becoming the first company in China to successfully produce a generic version of Dantrolene Sodium for Injection. During the year, Livzon Group continued to promote the accessibility of this drug in Macao SAR of China, Pakistan, Chile, and other countries and regions. In the Macao SAR of China, this drug has been included in the reserve system of the only public hospital in the region, achieving full regional coverage. In Pakistan, it has entered one of the largest local hospitals. In Chile, Livzon Group is working with local partners to submit a registration application to the drug regulatory authorities, helping the drug to enter important local medical institutions in the future and improving local response capabilities for malignant hyperthermia.

Systemic Juvenile Idiopathic Arthritis

Systemic juvenile idiopathic arthritis (sJIA) is a rare chronic systemic disease, primarily characterized by joint swelling and pain lasting 6 weeks or more accompanied by damage to other tissues and organs, with a current incidence rate in China of approximately 1 in 10,000. Tocilizumab Injection (Atvtia®), developed by LivzonBio, a subsidiary of Joincare, received approval for two new indications of sJIA and cytokine release syndrome (CRS) in May 2023. It is the only biological agent approved for the sJIA indication domestically and the drug recommended by authoritative domestic and international guidelines for treating children with active systemic symptoms of sJIA or active sJIA who have not responded to initial treatment. This drug has the characteristics of rapid onset and sustained efficacy improvement, can rapidly improve the disease activity of affected children and promptly control the condition, and also helps children catch up on growth and reduces joint structural damage, providing a new targeted treatment option for children with sJIA.

PART
04
Product and Service Safety & Quality

Product quality is the cornerstone of Joincare's stable operations. The Group's pursuit of product quality and safety is reflected in every stage of the product lifecycle — from R&D to post-market patient use. The Group continuously optimizes supply chain management to ensure reliable raw materials. In addition, the Group adheres to responsible marketing, promoting products in a compliant and honest manner to safeguard the health rights and interests of the public.

SDGs in this section

4.1 Governance

Joincare has established a multi-level quality governance system covering the full chain of R&D, manufacturing, and commercial operations, forming a pharmaceutical quality governance structure with clear responsibilities, independent performance of duties, and coordinated efficiency. The Decision-Making Tier defines product strategy and oversees the setting and progress tracking of management targets. The Management Tier coordinates the construction and supervisory implementation of quality systems. The Execution Tier implements all quality activities to ensure the entire process is under control. Through clear delineation of responsibilities and professional specialization, the Group continuously improves its quality management capabilities to safeguard public medication safety.

Decision-Making Tier

The Board of Directors is the highest responsible body for product quality. The company's directors and CEO regularly review product strategy and supervise the setting and progress tracking of management targets, ensuring that the quality management department operates independently and provides necessary resource support. Members include directors with work experience in pharmaceutical-related fields who are familiar with the laws and regulations governing drug supervision and administration, ensuring that pharmaceutical quality always meets national regulatory requirements and patient safety needs.

Management Tier

The Management is responsible for establishing and operating the quality management system, setting up departments including the Quality Management Department, Production Management Center, R&D QA Department, and Pharmacovigilance Department to conduct core work such as internal audits, deviation investigations, OOS/OOT (Out-of-Specification/Out-of-Trend) analyses, non-conforming product management, and product recalls, comprehensively ensuring that product quality is lawful and compliant throughout the entire lifecycle.

Execution Tier

Each project team is equipped with dedicated quality management personnel responsible for implementing daily quality management work, conducting inspections and testing, regular reporting, trend analyses, and internal self-checks in accordance with Standard Operating Procedures (SOPs), forming full-process closed-loop management. The Quality Management Department implements unified quality auditing and supervisory management over external partners such as suppliers and contract manufacturers.

The Group has clearly defined qualifications and capability standards for all quality-related positions, ensuring that each key position has the requisite educational background, pharmaceutical professional background, and practical experience. All quality management personnel possess the regulatory knowledge, professional technical capability, and practical management experience required to perform their duties, laying a solid foundation for quality management through professional competency.

In addition, the Group has established a standardized quality management information reporting system, which dynamically monitors quality management and control activities through periodic reporting on quality-related matters and analysis of key quality indicators.

Reporting Cycle and Parties

Management regularly submits dedicated work reports to the Company's Board of Directors and CEO, systematically reflecting the operational status of the quality management system, ensuring that the Company's core leadership can monitor quality risk dynamics in real time, and providing strategic guidance on significant matters.

Core Reporting Content

Covers product manufacturing and release status, regulatory inspection results, market sampling inspection data, deviation investigations, change management, OOS/OOT analyses, and other relevant matters; with a key focus on critical risk information including product quality, customer complaints, and adverse drug reactions.

Approval Process

Quality management work reports are drafted by the Quality Management Department, reviewed jointly by the Quality Management Department and the Manufacturing Management Center, approved by the Head of Quality, and then reviewed by the Company's responsible person, who provides guidance and signs off on the quality work brief for confirmation.

Data Analysis and Application

Periodic reviews are conducted on product quality complaints (covering issue descriptions, remediation measures, and closure timelines); statistical analyses are performed on deviations, changes, and OOS/OOT findings to identify latent trends; quality trend analyses and stability assessments of intermediate and finished products are simultaneously conducted; and supplier change and material quality complaint data are evaluated to support continuous improvement and supply chain quality management.

4.2 Strategy

Joincare is well aware of the importance of product quality to internal and external stakeholders. Product quality is the core link between enterprises and internal and external stakeholders, and it is also the primary prerequisite for pharmaceutical companies to practice ESG responsibilities and protect public health. High-quality drugs can guarantee clinical efficacy, effectively avoid risks such as adverse reactions and treatment failures caused by omissions in quality control, effectively help improve public health literacy and level, and protect social and public health safety. The Group actively identifies risks and opportunities related to product quality and issues and assesses their possible impact on the Group's business and finance in the short, medium and long term[5].

Risk/Opportunity Type	Business Impact	Financial Impact	Time Horizon
Quality incident risk	May result in product recalls, production shutdowns and remediation, affecting normal production and market supply and damaging customer trust and brand reputation	May trigger compensation costs, fines, and litigation expenses, increasing operating costs and affecting profitability	Short to Long Term
Regulatory compliance pressure	As domestic and international drug regulatory standards continue to be upgraded, companies need to continuously update quality systems and strengthen inspection capabilities and data management	Requires greater resources to be invested in equipment upgrades, personnel training, audit rectification, and other activities, increasing capital expenditure and operating costs	Medium to Long Term
Opportunity Type & Impact			
High-quality products contribute to enhancing corporate brand influence and customer loyalty. Through rigorous quality control and management systems, quality risks can be effectively mitigated and production efficiency improved, thereby generating higher profitability: • **Quality-Driven Brand Value:** Consistently high-quality output reinforces the Company's professional image, builds consumer trust, and supports the positioning of premium products. • **International Certification Advantage:** Underpinned by stringent quality controls, the Company is well-positioned to successfully obtain international certifications such as GMP, FDA, EMA, and PIC/S, providing the requisite credentials for products entering overseas markets and expanding international market opportunities.			

Based on systematic assessment of quality risks and opportunities, the Group continuously optimizes strategic decision-making mechanisms, driving deep integration of quality and commercial value. The Group has formulated and implemented internal systems such as the Quality Risk Management Procedure, building a quality management system focused on R&D, manufacturing, and commercial operations.

In line with the Group's strategy, the Group anticipates the following trends in financial position, operating results, and cash flows over the short, medium, and long term:

Short Term

Increase investment in quality system building, improve laboratory capabilities and data integrity management, and ensure compliant operations.

Medium Term

Promote the internationalization of quality standards to support the registration filing and overseas promotion of key products.

Long Term

Build sustainable competitiveness centered on quality to achieve a virtuous cycle of "high quality, high efficiency, high returns", supporting the long-term healthy development of the enterprise.

[5] The time horizons are defined consistently with those set out in the "Sustainability Management" chapter, namely short-term (0–3 years), medium-term (4–10 years), and long-term (over 10 years). These definitions are aligned with the Company's strategic planning and resource allocation plans.

4.3 Impact, Risk and Opportunity Management

Joincare places great importance on product quality risk management. Referencing the technical guidelines under the ICH system such as the *Technical Guidelines for Drug Master File Changes of Approved Chemical Drugs, Technical Requirements for Pharmaceutical Studies of Chemical Drug Inhaled Liquid Formulations, ICH Q9 Quality Risk Management,* and *ICH Q10 Quality Systems*, the Group has formulated internal systems including the *Quality Risk Management Procedure, Change Management Procedure, Deviation Management Procedure, Product Quality Review Management Procedure*, and *Self-Inspection Management Procedure* to regulate the identification, analysis, assessment, control, and review processes for quality risks.

Identification & Assessment

Deeply explore potential quality issues through data analysis, regular audits and self-inspections, and quality risk early warning, and use professional tools such as Failure Mode and Effects Analysis (FMEA), Risk Ranking and Filtering (RRF), Preliminary Hazard Analysis (PHA), and risk rating to identify risks in people, machinery, materials, methods, environment, and measurement aspects of the production process.

Tiered Management

Classify quality risks into four levels — high, medium, low, and minor — based on assessment results, and formulate corresponding risk control measures for different levels to effectively ensure the safety, efficacy, and quality controllability of products.

Control & Communication

Incorporate quality system elements such as deviations and changes into dynamic adjustments to ensure the Group's overall quality risk remains under control; promptly handle quality complaints and adverse reaction reports from users following product market launch; organize post-marketing studies to collect data across all post-launch stages; carry out risk assessments and formulate management measures for identified risks, continuously monitoring potential risks.

Process Integration & Improvement

Incorporate the above management processes into internal processes such as product strategy, budget management, and cross-departmental coordination; strengthen the dynamic review mechanism for risk management, clarifying differentiated review cycles for risk assessments in different categories such as product CQA/CPP, equipment, and co-line production, ensuring risk control measures remain continuously applicable and effective; continuously improve the risk management system covering R&D, manufacturing, and commercial operations modules, implementing comprehensive management of quality risks throughout the product lifecycle.

4.4 Metrics and Targets

Joincare sets overall quality targets for the Group and conducts annual tracking and assessment of target achievement to continuously optimize operational mechanisms and improve quality monitoring levels.

Metrics & Targets	2025 Achievement Status
• **Market random inspection pass rate of 100%** • **Customer complaint rate less than 1%** • **Customer satisfaction greater than 90%** • **Individual case adverse reaction report submission compliance rate of 100%** • **Safety summary report submission compliance rate of 100%**	All targets achieved. Joincare will continue to deepen its full-process quality management system, driving continuous iterative improvement in quality management capabilities.

4.5 Our Management Practices

Joincare has built a quality management system covering the entire lifecycle, encompassing key aspects including R&D, manufacturing, commercial operations, pharmacovigilance, product recall, and quality auditing. Through systematic product liability design and employee quality training, the Group strengthens company-wide quality awareness and compliance capability. Simultaneously, the Group places importance on intellectual property protection and the safeguarding of customer rights, actively fulfilling the primary responsibility of the Marketing Authorization Holder (MAH).

4.5.1 Quality System Management

Joincare places great importance on product quality management. Adhering to the basic principles of "risk management, full-process control, and social co-governance", the Group has established and continuously optimizes a full-lifecycle quality management system covering pharmaceutical R&D, manufacturing, sales, and use. It proactively responds to regulatory requirements and fulfils its responsibilities as the MAH, committed to providing patients with high-quality and trustworthy products.

In 2025, the Group and its subsidiaries continued to review and optimize the quality management systems for R&D, manufacturing, commercial operations, and use, with a focus on completing the Group-level quality management system construction. The Group continued to promote the implementation of systems newly added in 2024, including procedures such as the *Pharmaceutical Change Management during Innovative Drug Clinical Trials, Clinical Trial Protocol Change Management, Contract Manufacturer Assessment Management Procedure*, and *Warning Limit and Action Limit Management Procedure*; added management standards such as *Group Quality Policy and Target Management, Group Quality System Structure and Management Responsibilities, Innovative Drug Name and Code Management Procedure*, and *R&D Materials Management*; and revised systems such as the *Organizational Structure Management Procedure, Product Quality Review Management Procedure, Drug Market Release Management Procedure,* and *Corrective and Preventive Action Control Procedure*, building strong institutional safeguards for product quality and safety and driving the Group's quality management system to operate in a more standardized and efficient manner.

In 2025, the Group continued to improve and optimize the quality management systems for R&D, manufacturing, commercial operations, and use, with a total of *296* new documents added and *391* documents revised

4.5.1.1 R&D Quality Management

Joincare, referring to the requirements of systems such as ISO 9001 and ICH Q10, continuously optimizes the processes throughout product R&D and daily record management, continuously improving its R&D quality management system. Each R&D unit is equipped with dedicated R&D Quality Assurance (QA) personnel to strictly control work at each stage including product project initiation, R&D management, project operations, technology transfer, and daily supervisory inspections.

In 2025, combining the latest domestic and international regulatory requirements with actual R&D management practices, the Group systematically optimized its R&D quality management system, comprehensively completing the revision and addition of system documents to strengthen quality management across the full R&D process at the institutional level. In terms of system and process building, the organizational structure was optimized and processes for technology transfer, external communication, and training management were improved, strengthening qualification review and process management of outsourced research partners. In terms of laboratory and material control, equipment, computer room, and technical service management procedures were revised, and the full-lifecycle management of reference standards and various materials from procurement through to use was detailed, with clear requirements for managing validity periods and retest periods.

In terms of compliance and technical standard improvement, the Group strictly followed the requirements of the *Chinese Pharmacopoeia 2025 Edition*, optimized data processing and stability study management procedures, and continuously solidified the data integrity management system. It also standardized analytical method development processes and quality standard establishment principles, strengthened the clinical sample release review mechanism, and ensured effective control at key stages. This system upgrade covered all elements of "people, machines, materials, methods, and environment" and full-process data management, providing a solid foundation for the continued stability and controllability of R&D quality.

The Group has established a Clinical R&D Center, forming specialized departments related to clinical trials including the Clinical Medicine Department, Clinical Pharmacology Department, Project Management Department, Pharmacovigilance Department, and Clinical Quality Department. Clear responsibilities have been defined for each department and position, and qualified professionals have been assigned, conducting clinical trial-related work in compliance with laws and regulations related to clinical trials. The Group is committed to ensuring that clinical trial data is authentic, complete, and traceable. All clinical trials are registered on the Drug Clinical Trial Registration and Information Disclosure Platform under the Center for Drug Evaluation of the NMPA, and clinical trial progress and results are tracked and published on the above platform. In addition, for major clinical trial achievements and progress, we will publish these through authoritative domestic and international academic conferences, forums, and journals, actively accepting scrutiny from the industry and society.

The Group always places the rights and interests of trial participants in the highest position, strictly adhering to the *Declaration of Helsinki of the World Medical Association*, the *Good Clinical Practice Guidelines for Pharmaceutical Clinical Trials*, and relevant laws, regulations, and ethical standards. All clinical trials are conducted after obtaining approval from drug regulatory authorities and passing ethically required review processes. During the participant recruitment phase, the Group has clearly formulated inclusion and exclusion criteria to ensure diversity in the participant population across dimensions such as gender and age, and to exclude individuals with specific safety risks. Prior to their participation in clinical trials, investigators must fully inform participants of key information including the experimental operating procedures, potential safety risks of the investigational drug and corresponding medical management measures, compensation plans for trial-related harm, and privacy and information confidentiality measures, and must give participants sufficient time to consider. If participants agree to participate in the trial, the Group will require them to sign an Informed Consent Form, clearly informing participants that they have the right to know and the freedom of choice, and may refuse or withdraw from the trial at any time. During the project supervision process, clinical monitoring, quality control, and audit personnel must pay close attention to the compliance of operations such as ethics approval, informed consent form signing, and informed consent process recording, building a comprehensive barrier to protect the legitimate rights and interests of participants. Meanwhile, we provide necessary supportive services for specific populations to participate in clinical trials, including medical visit guidance, transportation subsidies, and medication collection, to enhance their convenience and accessibility in participation.

The Group strictly follows procedures such as the *Drug Clinical Trial Adverse Event Monitoring and Reporting Management Procedure* and the *Individual Safety Case Report Handling Procedure for Drug Clinical Trials* to monitor adverse events in clinical trials in real time, formulates emergency response plans, promptly reports to regulatory authorities, and purchases insurance for every participant to ensure that clinical trial risks are controllable and managed according to standard. Through measures such as anonymization, coding, and dedicated management, the Group strictly protects participants' identity, disease information, biological samples, and other data from disclosure. During the year, the Group continuously optimized its clinical trial management system under the framework of the UN SDGs, with no ethical violation incidents or regulatory penalties occurring.

4.5.1.2 Manufacturing Quality Management

Joincare strictly complies with national laws and regulations, establishing a comprehensive manufacturing quality management system in accordance with the *Drug Administration Law of the People's Republic of China*, the *Drug Production Supervision and Administration Measures*, and the *Good Manufacturing Practice (GMP) for Pharmaceutical Products*. It continuously optimizes the manufacturing quality management system construction in accordance with international standards, promoting its subsidiaries to undertake international standard certification, committed to creating products with high competitiveness in international markets.

The Group actively cooperates with external regulatory inspections and timely rectifies quality management issues identified, continuously improving quality management levels. In 2025, the Group accepted a total of 97 external regulatory inspections, with all inspection results indicating compliance and no major or critical deficiencies identified.

Registrations and Certifications

As of the end of the Reporting Period, the production lines and related products of the Group and its subsidiaries comply with GMP regulations; the Group's headquarters and multiple manufacturing subsidiaries have passed quality management system certifications.

Table: Joincare Group Global Certification Status

Item		Status as of End of Reporting Period
International Certification Certificates	Active Pharmaceutical Ingredients (APIs)	***15*** varieties passed international certification on-site inspections ***44*** varieties holding international certification certificates within validity period (of which ***6*** varieties with FDA on-site inspection, ***17*** varieties with Certificate of Suitability to Monographs of the European Pharmacopoeia)
	Formulations	***8*** varieties passed international certification ***34*** varieties holding international certification certificates within validity period

Table: Joincare Group Production Line GMP Compliance Status

Item		Status as of End of Reporting Period
GMP Certification	Active Pharmaceutical Ingredients	***82*** production lines compliant with GMP regulations
	Formulations	***65*** production lines compliant with GMP regulations
	In Vitro Diagnostic Reagents	***7*** production lines compliant with GMP regulations

Table: Joincare Group Quality Management System Certification Status

Certification Type
7 subsidiaries certified to GB/T 19001-2016 / ISO 9001:2015
1 subsidiary certified to ISO 22000:2018
2 subsidiaries certified to ISO 13485:2016
1 subsidiary certified to ISO/IEC 17025:2017
1 subsidiary accredited to CNAS-CL01

Product Testing Capabilities

All of Joincare's manufacturing subsidiaries are equipped with various laboratories capable of meeting the testing requirements for the drugs they manufacture. The laboratories are equipped with high-precision instruments such as liquid chromatography high-resolution mass spectrometers, triple-quadrupole liquid chromatography-mass spectrometers, triple-quadrupole gas chromatography-mass spectrometers, inductively coupled plasma mass spectrometers, X-ray diffractometers, ion chromatographs, and high-performance liquid chromatographs. These support the manufacturing subsidiaries in independently completing multiple testing tasks, meeting the analytical needs of rapid product inspection and innovative drug R&D processes, comprehensively safeguarding product quality and safety. The Group's Analytical Testing Center provides testing for innovative drugs and high-end complex formulations within the Group, and supports compatibility studies and testing for product packaging materials, ensuring that all product test results fully comply with quality management requirements. The Group's Analytical Testing Center has successfully passed accreditation by the China National Accreditation Service for Conformity Assessment (CNAS), signifying that the Group and its subordinate manufacturing subsidiaries' testing centers have the technical capability to conduct testing in accordance with the ISO/IEC 17025 system.

Case

Joincare Successfully Overcomes Acarbose Nitrosamine Impurity Detection Challenge, Technical Breakthrough Safeguards Drug Safety

Joincare views technical capabilities as an important responsibility for safeguarding drug safety and driving innovation. In 2025, when undertaking the nitrosamine impurity detection task for the subsidiary's acarbose project, the Group's Analytical Testing Center proactively tackled the challenge in the face of widespread failures by external institutions. Based on its advanced analytical platform, the team systematically conducted methodological research and ultimately established a dedicated, sensitive, and stable detection protocol. This breakthrough not only resolved the project registration risk, but also demonstrated the Group's transformation from "compliant testing" to "technical leadership", committed to resolving quality challenges in frontier R&D. This internally-developed technical capability provides solid support for new drug development, assisting in the efficient, safe, and reliable launch of products, genuinely fulfilling the quality commitments to patients and business partners.

Case

Joincare Haibin's Quality Control Capability Improvement

In 2025, Joincare Haibin continued to optimize its quality management capabilities. Two new walk-in constant temperature and humidity chamber systems were activated at Joincare Haibin, strongly supporting long-term stability studies and quality traceability work for products. For multiple formulation types including sprays, tablets, capsules, dry suspensions, and injections, Joincare Haibin added detection items for key quality attributes such as fine particle dose, dissolution, and crystal form. Simultaneously, a focus was placed on advancing dissolution profile research and in vitro consistency evaluation for dry powder inhalers; through systematic comparison and simulation of clinical use conditions, product efficacy consistency and medication safety were effectively ensured, providing reliable data support for R&D and manufacturing.

The Group also actively conducts preventive testing and conducts in-depth research on potential impurities that may arise from product formulations and manufacturing processes. From both safety and quality perspectives, the Group identifies emerging product issues and promptly optimizes production elements such as formulations, processes, packaging, and storage to timely control potential product risks at the source. The Group continuously monitors the latest industry requirements regarding product quality and stakeholder expectations, and will engage qualified third-party institutions for quality testing when necessary.

Case

Joincare Builds Quality Foundation Through Preventive Testing

In response to increasingly stringent regulatory requirements for drug polymorph control, Joincare has moved beyond reactive testing to proactively establish cutting-edge analytical capabilities. For the Pixavir Marboxil dry suspension (pediatric formulation) project, the Group's Analytical Testing Center took the lead in developing and validating X-ray Powder Diffraction (XRPD) and polymorph quantification methods to ensure control of critical quality attributes. Building on this foundation, the Analytical Testing Center successfully obtained CNAS accreditation for "Pixavir Marboxil Capsules Polymorph Content Testing," becoming one of the few laboratories in China with this qualification. This breakthrough enables the Group to issue polymorph data with legal validity and international mutual recognition, advancing from "meeting standards" to "supporting standard-setting." By proactively addressing industry-wide challenges, Joincare has established a technical advantage for quality assurance throughout the entire lifecycle of innovative drugs, ensuring quality leadership across the full product lifecycle.

Case

Jiaozuo Joincare Enhances Testing Capabilities and Strengthens Quality Control

Jiaozuo Joincare has established comprehensive quality standards and testing operating procedures for all products in accordance with national regulations, pharmacopoeias of various countries, and customer requirements. The facility currently possesses full-item testing capabilities for 7-aminocephalosporanic acid (7-ACA), deacetyl-7-aminocephalosporanic acid (D-7ACA), demeclocycline hydrochloride (DH), 4-acetoxyazetidinone (4AA), and mycophenolic acid (MC). In 2025, Jiaozuo Joincare completed a total of 6,894 batches of full-item testing for core products, along with 7,990 batches of raw and auxiliary material inspections and supporting stability studies.

In response to equipment changes for D-7ACA production, Jiaozuo Joincare conducted process validation with a focus on testing product uniformity to ensure quality stability. Meanwhile, in response to stakeholder concerns, Jiaozuo Joincare engaged third-party institutions to conduct specialized monitoring of protein residues in 7-ACA, elemental residues in D-7ACA, and aflatoxin residues in DH. Additionally, Jiaozuo Joincare introduced third-party authoritative testing institutions to conduct comprehensive compliance monitoring of process water used in production, ensuring compliance with both production requirements and national standards.

4.5.1.3 Commercial Operations Quality Management

Joincare strictly complies with the *Good Supply Practice* (GSP) for pharmaceutical operations, and has established a series of management systems including the *Procurement Management Policy, Sales Management Policy, Product Receipt Management Policy, Product Storage Management Policy, Product Outbound Management Policy, and Drug Traceability Management Policy*, implementing comprehensive quality control over all aspects of pharmaceutical procurement, storage, sales, and transportation. Through digital means of the "On-code"(码上放心)drug traceability information system, we ensure that "each drug has a code, and both the drug and its code can be traced" and present the traceability data of drugs throughout the process in real time. At the same time, the Group's Quality Management Department, Storage and Transportation Department, and Sales Department work in close coordination to continuously monitor the full process of barcode scanning for drug inbound and outbound operations, and to track barcode processing activities across upstream and downstream enterprises.

In 2025, multiple key traceability validation indicators of the Group were successfully met, effectively safeguarding the traceability and compliance of drugs in the distribution process:

First-tier distributor effective registration rate reached
100 **%**

Manufacturer outbound validation rate was
99.34 **%**

First-tier distributor inbound validation rate reached
99.92 **%**

The Group has continued to leverage the electronic drug inspection report function on the "On-code" platform in conjunction with all manufacturing enterprises, enabling the online circulation and retrieval of drug inspection reports. In parallel, the Group has optimized the inventory management data reporting functions as well as the goods receipt, inspection, and maintenance process modules within its SAP system, thereby improving the efficiency of drug traceability operations.

In terms of package insert and labelling management, the Group strictly manages the design, use, and revision of product package inserts and labels in accordance with laws and regulations and internal management procedures such as the *Technical Guidelines for Clinical Changes of Marketed Chemical Drugs and Biological Products and the Change Management Procedure*. The Group continuously strengthens internal risk management of drug package inserts and labels, standardizing the entire process of their design, use, and revision. All revisions are uniformly initiated by the MAH for sample design, and design drafts must be strictly reviewed and approved by the MAH's sales, manufacturing, and quality departments and other relevant departments. For revisions involving drug use safety and efficacy information, approval from the national drug regulatory authority is required to maximize the objectivity, scientific validity, and accuracy of drug information.

The Group classifies changes based on their level of impact and risk level on the drug's safety, efficacy, and safe and effective clinical use. If a change involves drug safety information or pharmacovigilance plan items, the Pharmacovigilance Department will strictly manage the change in accordance with the *Drug Package Insert Safety Information Change Procedure*, conducting collection, review, and assessment of drug safety data, and submitting to the Drug Safety Committee for review and confirmation, making every effort to ensure patient medication safety.

Case

Taitai Pharmaceutical Supplements and Improves Package Insert and Labelling Information

In 2025, in accordance with the requirements of regulations issued by the NMPA including the *Drug Administration Law of the PRC, the Special Provisions for Traditional Chinese Medicine Registration Administration*, and the *Technical Guidelines for Revising Safety Information in Package Inserts for Marketed Traditional Chinese Medicines (Trial)*, Taitai Pharmaceutical supplemented and improved the "Adverse Reactions", "Contraindications", and "Precautions" sections of the package inserts and labels for Jingxin Oral Solution and Taita Menstrual Pain Relief Oral Solution, further improving the scientific quality and transparency of product information. This helps to guide rational clinical drug use and protect patient medication safety.

4.5.1.4 Pharmacovigilance

Joincare strictly follows the requirements of GVP, establishing a Drug Safety Committee chaired by CEO, with members including the heads of pharmacovigilance, clinical medicine, quality management, registration, formulation, medical, and marketing departments. The Drug Safety Committee has formulated clear working procedures, and is responsible for major risk assessment, emergency response to urgent or major drug safety incidents, risk control decisions, and other key pharmacovigilance matters.

The Group conducts pharmacovigilance activities in a standardized manner with reference to the *Pharmacovigilance Inspection Guidance Principles*, and has established a pharmacovigilance system that meets relevant laws and regulatory requirements and the needs of the Company's development strategy. In 2025, the Group updated operating procedures and documents such as the *Risk Management Plan Management Procedure, Drug Safety Signal Detection Management Procedure, Individual Safety Case Report Handling Procedure for Drug Clinical Trials*, and *Development Safety Update Report Management Procedure*, further standardizing the operation of the pharmacovigilance system. The Group continues to apply its digital drug safety management system, which has achieved automatic identification and prioritization of drug safety signals, significantly improving the timeliness and accuracy of signal detection and enhancing the efficiency of the Group's pharmacovigilance work. Simultaneously, the Group continuously optimizes its enterprise collaboration platform and intelligent AI tools, effectively improving the scientific quality and overall efficiency of pharmacovigilance work, providing strong support for safeguarding patient medication safety and the Company's compliant operations.

Case

Drug Safety Committee Meeting

In 2025, the Group continued to hold routine Drug Safety Committee meetings, comprehensively reviewing annual product safety data, conducting in-depth analysis and assessment of potential drug risk signals identified, and focusing attention on the adverse event monitoring status of medical devices held by the Company, comprehensively ensuring the safety management of drugs and medical devices.

The Group places great importance on product adverse reaction management. In addition to collecting adverse events through the National Adverse Drug Reaction Monitoring Center, the Group has opened up multiple additional channels specifically for collecting adverse reaction information, including a 400 hotline, the official Joincare website, dedicated pharmacovigilance email addresses and extensions, sales feedback, and QR codes printed on package inserts. Simultaneously, the Group regularly searches relevant professional websites or reviews literature to collect adverse reaction information on similar products, ensuring comprehensive collection of product adverse reactions and reporting to regulatory authorities as required by law.

In 2025, the Group continued to actively advance post-marketing clinical studies and proactively conduct adverse reaction information collection. Through post-marketing clinical studies in actual drug use scenarios, the Group more comprehensively and deeply observes the use effects of drugs and possible adverse reactions that may occur, further expanding the sources of adverse reaction information collection and helping to more comprehensively understand the safety profile of products. The Group classifies collected adverse events, conducts scientific and objective assessments of the expectedness, seriousness, and causality between the drug and suspected adverse reactions, and promptly reports to regulatory authorities in strict accordance with regulatory requirements. Simultaneously, the Group conducts signal analysis on all adverse events, regularly assesses the safety profile of products, and promptly takes risk control measures to effectively safeguard public medication safety.

The Group actively participates in industry exchanges, proactively benchmarks against regulatory requirements and industry best practices, and continuously improves professional pharmacovigilance capabilities. In 2025, the Group participated in the GVP online training organized by the Senior Training College of the NMPA, conducting in-depth study of the latest regulatory policies and implementation key points.

The Company organized multiple internal pharmacovigilance thematic training sessions covering core knowledge areas including MedDRA coding, adverse event causality assessment, risk management plan writing, and Development Safety Update Report (DSUR) preparation, encompassing fundamental theory, regulatory requirements, and practical operational skills, with systematic review incorporating the *Pharmacovigilance Inspection Guidance Principles* and key points for monitoring adverse events from medical devices. These training sessions effectively help newly onboarded employees in the Pharmacovigilance Department to keep up with the latest regulatory developments, become familiar with the company's adverse event collection, assessment, and reporting processes, and clearly understand the responsibilities of each relevant department in the system.

In 2025, the Group conducted 2 special pharmacovigilance system training sessions for new employees and organized 1 general pharmacovigilance training for all employees, further strengthening company-wide awareness of the importance of pharmacovigilance and consolidating the foundation of medication safety responsibility.

4.5.1.5 Product Recall

To ensure the effectiveness of the drug recall management system, Joincare has established a simulated recall mechanism, conducting simulated recall drills every two years, implementing drug risk management plans to ensure that post-marketing risk management activities for drugs comply with relevant pharmacovigilance regulations and that product quality meets intended use and registration requirements. The Group has formulated the *Drug Recall Management Procedure* to guide product recall work when quality issues or other safety hazards are identified in drugs; and has classified drug recalls into three levels — Level 1, Level 2, and Level 3 — based on the severity of drug safety hazards, activating the corresponding recall procedure according to the real-time situation. Over the past six years, Joincare has had no incidents requiring the recall of sold or shipped products for safety or health reasons, with a total product recall count of 0.

Case

Haibin Pharma Improves Recall Mechanism and Strengthens Emergency Response System

In 2025, Haibin Pharma revised its *Product Recall procedure*, further clarifying the responsibilities for recall, adding requirements for reporting to the company's person in charge and prior communication with regulatory authorities, enhancing the standardization and transparency of the recall process. Simultaneously, Haibin Pharma updated its *Emergency Plan for Major Product Safety Incidents*, formulating the *2025 Company Drug Safety Incident Emergency Drill Plan* in accordance with the *Drug Administration Law* and relevant contingency plans; through conducting emergency drills and simulated recalls, it continuously improved its collaborative response and emergency handling capabilities.

In 2025, Haibin Pharma conducted Level 1 simulated recall drills for Meropenem for Injection targeting both the international market and the domestic market respectively, including cross-border recalls for export batches and domestic recalls for domestic batches. Both drills were completed on schedule; the recalled quantities were accurate, the processes were smooth, and system records were complete, effectively validating the high efficiency, traceability, and cross-border collaboration capability of the Company's recall mechanism, indicating that the existing system can respond rapidly and reliably to actual recall needs.

Case

Taitai Pharmaceutical Drug Simulated Recall Drill Comprehensively Validates Emergency System Effectiveness

From June to July 2025, Taitai Pharmaceutical organized a drug simulated recall drill in accordance with regulations such as the *Good Manufacturing Practice for Pharmaceutical Products* and the *Drug Recall Management Measures*. The drill was led by the quality responsible person, with a special team established jointly by manufacturing, sales, storage and transportation, and other departments with clear division of responsibilities. The drill completed notification and filing for customers, user units, and regulatory authorities within 72 hours via email and telephone, with regular progress tracking, and ultimately confirmed that all products had been sold out with no inventory available for recall and accurate production and sales data. This drill effectively validated the efficiency of the recall process in terms of instruction transmission, information traceability, cross-departmental collaboration, and regulatory interface, further strengthening the Company's emergency response capability for product safety.

4.5.1.6 Quality Auditing

To continuously optimize the Group's quality system construction, the Group regularly formulates quality audit plans covering all manufacturing, commercial operations, and R&D companies; and conducts special audits based on management needs and external regulatory trends.

The Group conducts quality audits of manufacturing companies at least twice a year with reference to GMP regulations and the *Supplier Quality Assessment Procedure*. The Group conducts quality audits of contract manufacturers of high-risk products (such as sterile formulations) at least twice a year, and once a year for contract manufacturers of non-sterile formulations. For issues identified, the Quality Management Department Initiates Corrective and Preventive Action (CAPA) processes, and tracks rectification progress through regular reporting mechanisms to ensure closed-loop resolution and continuous improvement.

In 2025, the Group jointly organized audit teams with subsidiaries to conduct a total of over 30 quality audits of subsidiaries and contract manufacturers, covering modules including production systems, packaging systems, material systems, equipment and facilities systems, quality assurance systems, quality control systems, environmental protection, and occupational health and safety, and supervised contract manufacturers in rectifying deficiency items identified during audits. The Group also organized self-inspection or internal audit teams in accordance with the *Self-Inspection Management Procedure* and the *Quality Management System Internal Audit Management Policy* and *Operating Procedure* to conduct comprehensive self-inspection or internal audit activities of the R&D, manufacturing, and sales quality management systems.

Simultaneously, the Group and its subsidiaries actively cooperated with quality audits from domestic and international regulatory authorities and customers, analyzed deficiency items raised by external experts and promptly carried out rectifications, continuously optimizing quality management levels. In 2025, the Group conducted a total of 89 external audit inspections, including third-party audits (ISO 9001 annual audits), drug re-registration on-site inspections, GMP conformity inspections, and supervision inspections, with all inspection results indicating pass. For deficiency items identified during self-inspections and internal and external audits, the Group and its subsidiaries use quality risk management tools such as fishbone diagrams, fault trees, and FMEA to promptly carry out root cause analyses and risk assessments, and formulate corrective and preventive measures for deficiency items to improve quality management capabilities.

The Group also implements strict quality management over external partners. The Quality Management Department leads external quality audits of material suppliers, contract manufacturers, and service providers, and jointly conducts regular supervision of their manufacturing management, laboratory controls, and materials management with the Production Management Center. Product quality-related complaints are handled uniformly by the Quality Management Department; the Prescription Drug Business Division is responsible for after-sales service, customer feedback collection, and satisfaction surveys, forming an external quality supervision mechanism that is coordinated internally and externally and responds in a timely manner.

4.5.1.7 Product Liability Design

As an important driver and beneficiary of the green transformation strategy, Joincare ensures that green and low-carbon concepts are deeply integrated into new product development, comprehensively considering quality, safety, health, and environmental protection elements throughout the product lifecycle. The Group strives to minimize the negative impact of products on the environment and society throughout all stages of R&D, manufacturing, transportation, sales, use, and disposal while meeting customer needs and providing high-quality products. Through implementing green supply chain management, the Group assists upstream and downstream supply chain factories in implementing green manufacturing, achieving coordinated improvement of the green level across the full supply chain, and contributing to the construction of a green, low-carbon, and circular economic system.

R&D and Design Phase

The Group analyzes and identifies potential social and environmental risks throughout the entire product lifecycle, managing these as strictly as possible from the source. For example, the Group identified that inappropriate selection of raw materials and ingredients during product development may cause serious harm to the environment. Therefore, the Group has strengthened its attention to and review of environmental impact factors of raw materials, having relevant departments assess the potential environmental pollution and other negative impacts of product raw materials, and advocating the use of non-toxic materials or minimizing the proportion of toxic materials used.

Manufacturing Phase

The Group has formulated and implemented management documents such as *Environmental Factor Identification and Evaluation Control Management*, identifying energy and water resource consumption, emissions, waste, and other environmental impact factors involved in the product manufacturing process. Importance assessments are conducted around their generation frequency, toxicity, degree of mitigation, control measures, and impact on stakeholders, with product design plans adjusted or corresponding control mechanisms established based on assessment results to reduce the negative impact of products on the environment during the manufacturing stage.

Product Use Phase

The Group analyzes the environmental and social impacts of the product use phase based on lifecycle management principles, ensuring that product design and material selection do not violate any environmental and social laws and regulations.

Transportation and Distribution Phase

The Group focuses on potential harm that hazardous chemicals may cause to human health and the environment, sorting, identifying, and classifying all chemicals involved in the product transportation and distribution phase, minimizing the use of hazardous chemicals as much as possible. For necessary chemicals, the Group has also established strict chemical storage, transportation, and use regulations to minimize the hazard risks of hazardous chemicals throughout the product lifecycle.

Recycling and Disposal Phase:

The Group identifies elements in the product recycling and disposal phase that may have negative environmental impacts through the *Environmental Factor Identification and Evaluation Control Management* document, advocates minimizing the use of such elements in the design phase, and formulates standard handling procedures for irreplaceable elements, guiding relevant parties to properly handle them and minimizing negative environmental impacts.

4.5.2 Employee Quality Training

Joincare places great importance on product quality training and advocacy, establishing employee quality training management procedures based on standards such as GMP, GSP, GVP, and CNAS, and formulating annual quality training plans covering all employees. The Human Resources Department is responsible for organizing and supervising employee education and training, and establishing health files. The Quality Management Department is responsible for maintaining the roster of quality-related personnel, dynamically updating personnel information, tracking the implementation of training plans, and establishing training archives. The Group incorporates the implementation of annual training and the completion of training for key position personnel into quality management work reports, ensuring continuous improvement and effective traceability. In addition, the Group improves employees' product quality management capabilities and awareness through diverse training formats such as quality micro-courses, fun sports competitions, online knowledge competitions, and operational skills competitions. In 2025, Joincare continuously conducted product quality and safety-related training sessions, with employee coverage reaching 100%.

The Group and its subsidiaries hold annual Quality Month activities for all employees; conduct multiple specialized, customized training sessions monthly for all personnel under the quality system, covering quality management, R&D management, manufacturing management, sales management, and pharmacovigilance management; and add relevant law and regulation training and assessments quarterly to strengthen relevant employees' understanding of changes in external regulations and quality standards, and improve employees' professional skills and quality.

To promote the accumulation of daily quality culture and internal knowledge sharing, Joincare has built a quality management training platform that centrally collects excellent daily training videos, typical case studies, and other learning materials from subsidiaries, uploading them to the platform for sharing and learning by all Group employees.

In 2025, the Group actively participated in multiple external professional training sessions organized by drug regulatory authorities and certification bodies, covering areas such as GSP implementation, MAH contract manufacturing supervision, qualified person performance of duties, internal auditor qualifications, and improvement of enterprise management representative capabilities, simultaneously strengthening quality, environmental, and occupational health and safety management system capability building, and genuinely fulfilling the enterprise's primary quality responsibility.

Case

Xinxiang Haibin Actively Participates in "Full Chain Quality Manufacturing · Intelligent Innovation for the Future" Quality Month

In 2025, Xinxiang Haibin systematically conducted company-level and department-level training in accordance with its annual training plan, and through diverse formats such as daily regulatory knowledge sharing, continuously improved employees' professional capabilities and compliance awareness in product quality management. Under the Group's unified deployment, Xinxiang Haibin actively participated in the Quality Month activity themed "Full Chain Quality Manufacturing · Intelligent Innovation for the Future — Building a New Drug Quality Integration Ecosystem", organizing employees to deeply study full-chain content covering quality management, R&D, manufacturing, sales, and pharmacovigilance, and participate in interactive learning such as "Daily Practice", further strengthening company-wide quality awareness and the conscientiousness of standardized operations, laying a solid foundation for effectively preventing and controlling quality risks and consolidating the Company's overall quality management system.

Case

Jiaozuo Joincare Conducts GMP Practical Skills Training

Jiaozuo Joincare strictly follows GMP regulations to build a quality training system covering all employees and formulates annual special training plans. Jiaozuo Joincare promotes a training model integrating tiered instruction, practical exercises, digital tool application, and assessment feedback, simultaneously carrying out quality culture activities to continuously strengthen employees' quality awareness. In 2025, Jiaozuo Joincare organized over 590 quality and safety training sessions, achieving 100% employee participation with a total accumulated training duration of over 572 credit hours, effectively ensuring the standardized and efficient operation of the quality management system.

Case

2025 Joincare "Quality Month" Activity

In 2025, to strengthen company-wide quality awareness, the Group conducted its annual "Quality Month" activity for all employees as usual. In September, under the theme of "Full Chain Quality Manufacturing · Intelligent Innovation for the Future — Building a New Drug Quality Integration Ecosystem", Joincare organized a series of quality special activities for all employees at the Group's headquarters and its 6 subsidiaries.

The activities included six major sections: "Knowledge Training", "Daily Practice", "Quality Knowledge Challenge Competition", "Compliance at Every Stage, Quality is Visible", "Quality Story Exchange", and "Fun Quiz", aimed at deepening employees' understanding of compliance requirements, strengthening quality responsibility awareness, and driving the integration of quality management strategy into every business aspect. Simultaneously, this activity actively explored the integration path of AI technology with the pharmaceutical field, empowering quality management and pharmaceutical innovation through digital means, consolidating the compliance foundation, and supporting the Group in achieving high-quality development.

Joincare "Quality Month" Activity

4.5.3 Intellectual Property Protection

Joincare attaches great importance to the protection of intellectual property rights, continuously improving its intellectual property protection management system construction, strictly complying with laws and regulations such as the *Patent Law of the PRC*, the *Patent Examination Guidelines, and the Implementation Measures for the Early Resolution Mechanism for Drug Patent Disputes (Trial)*. The Group has formulated and implemented management documents such as the *Intellectual Property Emergency Plan Policy and the Intellectual Property Education and Training Policy*, clearly defining the response mechanism for patent infringement, training responsible departments, and implementation methods, genuinely improving the Group's intellectual property management and operational level and strengthening employees' intellectual property protection awareness. The Group always respects others' innovations and is committed to creating a mutually beneficial and trustworthy R&D innovation ecosystem.

The Group continuously improves its intellectual property system construction, actively promoting the conversion and application of R&D achievements. Through diverse protection methods including patents, trademarks, copyrights, and trade secret protection, it continuously optimizes and improves the Group's intellectual property protection strategy. As of the end of the Reporting Period, for inhalation formulation products, the Group has applied for 131 related patents, including 71 invention patents, 49 utility model patents, and 11 design patents. A total of 106 patents have been granted, including 47 invention patents, 48 utility model patents, and 11 design patents.

Joincare's Intellectual Property Holdings

Number of valid patent applications as of 31 December 2025

415

Of which: number of invention patents 355

Number of valid patent grants as of 31 December 2025

1,143

Of which: number of invention patents 630

Number of valid patents during the Reporting Period

96

Of which: invention patent applications

71

Of which: invention patent grants

53

The Group formulates annual intellectual property training plans each year, conducting phased popularization advocacy and professional skills training for employees at different positions and levels. Content covers typical case analyses, regulatory standards interpretations, and practical operations, genuinely improving company-wide intellectual property protection awareness and practical capabilities. The Group will continue to explore the application of new technologies such as artificial intelligence and big data in intellectual property management, improving patent layout, risk early warning, and result conversion efficiency. Simultaneously, the Group deeply integrates intellectual property work into R&D and business processes, actively responding to the national strategy for building a strong intellectual property nation, and driving the Group's high-quality sustainable development through continued innovation.

Case

AI Empowers Intellectual Property Training

In 2025, the Group used AI video production technology for intellectual property training, launching an "Intellectual Property Classroom" column that achieves online teaching through a combination of videos and literature. Employees can learn intellectual property-related knowledge at anytime and anywhere without time restrictions, improving the flexibility and expanding the coverage of training.

Joincare takes an inclusive and open approach to exploring overseas markets. When promoting pharmaceuticals and reagents to overseas markets in the future, the Group will consider conditionally implementing the *Doha Declaration on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and Public Health*. If suitable third parties make a request, the Group will consider providing drugs developed by the Company to least developed countries and low-income countries through patent licensing under appropriate terms and conditions.

4.5.4 Customer Rights Protection

Joincare upholds the philosophy of responsible marketing to convey truthful and effective pharmaceutical information to customers, fully respecting and understanding user needs to improve customer satisfaction and elevate the Group's service quality level across multiple dimensions.

4.5.4.1 Responsible Marketing

The Group strictly complies with laws and regulations including the *Advertising Law of the PRC*, the *Anti-Unfair Competition Law of the PRC*, the *Personal Information Protection Law of the PRC*, the *Measures for the Review and Administration of Advertisements for Drugs*, *Medical Devices, Health Foods, and Foods for Special Medical Purposes*, and relevant laws and regulations in the regions where it operates, committing to providing accurate product information that is consistent with actual conditions during market promotion and marketing activities. The Group has formulated and publicly released the *Responsible Marketing Policy*, clearly defining requirements for all Group employees (including full-time, part-time, and temporary employees) in conducting marketing activities, including complying with industry laws and regulations, adhering to the Company's relevant marketing, advertising, and sales systems, accurately disclosing information, protecting customer privacy, and fulfilling environmental protection and social responsibilities. Simultaneously, the Group has formulated internal systems such as the *Joincare Sales Personnel Code of Conduct* to regulate the marketing conduct of relevant employees. In 2025, the Group continued to optimize the *Joincare Prescription Drug Compliance Management Policy*, committed to building a full-process compliant operations system, clearly defining the compliance obligations and management principles for all departments of the Business Division, all employees, and business partners, regulating marketing conduct through institutional standards and adhering to the philosophy of responsible marketing.

The Code of Conduct for Sales Personnel of Joincare is summarized as follows

- Strictly abide by national laws and regulations.
- Strictly abide by the relevant provisions of *Good Drug Business Practice*.
- Be honest and trustworthy in business activities, and uphold fairness in competition. In business activities, it is strictly prohibited to interfere with or affect the rational clinical use of drugs by exaggerating the efficacy of products, making false and misleading statements, concealing adverse drug reactions and other means.
- The interests of enterprises and others shall not be harmed in business activities; the Group's business secrets and customer privacy shall be protected.
- Illegal activities such as commercial bribery shall not be conducted for sales.
- Timely report adverse clinic reactions of drugs (if any) to the Group.
- Malicious transregional sales are not allowed to affect the order of the sales market.

In 2025, the Group continued to advance responsible marketing practices, strengthening risk prevention and compliance management. The Group optimized the approval and workflow processes for key business of each Business Division, driving the shift of risk control to the front end. In addition, the Group established a new Joincare Business Division Compliance Department to specifically supervise and standardize sales conduct and ensure that marketing activities are lawful and compliant.

In 2025, the Group had no non-compliance incidents related to product information and labelling, nor any violations related to marketing and promotion. In 2025, the amount of losses caused to the Group by legal proceedings related to false marketing and promotion was RMB 0.

Responsible Marketing Audit

Joincare continuously improves its responsible marketing audit system, strictly regulating the approval processes for marketing activities, requiring all marketing materials to be approved by company-authorized management personnel. The Group has formulated the *Responsible Marketing Policy*, clearly defining Group marketing audit requirements, and establishing a responsible marketing materials review and supervision mechanism. The Group exercises control at every stage of product information and product promotion program design, production, and placement, and regularly reviews marketing activities and related materials (including planning programs, promotional content, and sales documents, among others) to ensure they are truthful, accurate, and lawful and contain no false or misleading information. Simultaneously, the Risk Management Department regularly conducts internal audits to assess policy implementation status, ensuring that all marketing activities genuinely follow responsible marketing principles.

The Group strictly regulates responsible marketing review work, complying with regulatory systems such as the *Interim Measures for the Review and Administration of Advertisements for Drugs, Medical Devices, Health Foods, and Foods for Special Medical Purposes*, requiring all external promotional content for health foods and drugs to be strictly submitted to the corresponding competent authorities for approval. The Group closely tracks industry policy developments to promptly provide directional references for product planning, and efficiently obtains authoritative advertising approval documents. The Group has also established a professional and efficient marketing compliance consultation channel to provide timely support for employees. The Group actively collaborates with external regulatory authorities and media to jointly review the compliance of materials used in brand promotion, ensuring that promotional content is lawful and standardized.

Compliance Review Process for Joincare's Marketing Campaigns

Material production	Review by relevant departments	Review by regulators	Review by media	Advertisement distribution
Produce publicity materials in strict accordance with the *Measures for the Examination of Drug Advertisements*	Review by the Business Department, Legal Department and Internal Control Department to ensure that publicity materials comply with relevant policies and regulations of the Group	Submit advertising materials to relevant regulators to obtain approval after review	Carry out the second round of review by targeted media	Distribute publicity materials in compliance with laws and regulations and according to marketing plans

In 2025, the Group completed a total of 264 advertising approval tasks throughout the year, effectively safeguarding the lawfulness and compliance of marketing promotion. In addition, the Group conducted special annual internal audits, with a core focus on key areas such as anti-commercial bribery and business compliance, with a focus on regulating employees' marketing conduct and the boundaries of interaction with healthcare professionals to eliminate non-compliant promotion.

Responsible Marketing Training

The Group regularly provides responsible marketing training for all employees, and regularly conducts additional professional training for all marketing position employees, covering areas including marketing regulations, product knowledge, laws and regulations, compliance risk, and sales skills. Through training formats such as on-site exercises, scenario simulations, case analyses, and regulatory interpretations, the Group ensures that employees deeply understand and comply with the Group's marketing and promotional systems, avoiding exaggerated, deceptive, or false advertising and providing consumers with truthful and reliable product information.

Joincare ensures that all employees accurately understand and effectively implement responsible marketing requirements through annual compliance training and strict accountability mechanisms. Simultaneously, the Group establishes internal review and continuous improvement mechanisms, and relying on digital management tools, enables the compliance management system to respond promptly to regulatory changes and business development needs, effectively ensuring that the Company always operates lawfully, compliantly, and with integrity.

Joincare is committed to strengthening company-wide compliance awareness and building a compliance training system covering the full business chain. In 2025, Joincare continued to conduct responsible marketing training with 100% coverage of marketing position employees, with the Health Products Business Division conducting 147 training sessions and the Prescription Drug Business Division conducting 141 training sessions. The Group requires all newly onboarded employees in the Prescription Drug Business Division to receive compliance training and pass assessments, and to sign anti-commercial bribery commitment letters; it clearly advocates the requirements for responsible marketing and conducts multiple special training sessions covering compliant promotion, employee conduct standards, and academic exchange guidelines, ensuring all employees complete study and assessments to reinforce the compliance firewall for marketing. In addition, the Group organized 2 drug and health food advertising regulation training sessions for employees of the Joincare Health Care Business Division, putting forward over 100 reasonable suggestions and solutions, genuinely improving the regulatory awareness and practical capabilities of the marketing team.

Case

Joincare Responsible Marketing Training

In 2025, Joincare conducted tiered training for all marketing personnel at different frequencies and with different focuses, with a cumulative 1,104 training participants and a training coverage rate of 100%. In 2025, the Group adopted diversified formats including online live streaming, on-site instruction, recorded playback learning, and practical hands-on teaching to conduct special responsible marketing training sessions, with training content covering marketing team building, product knowledge, brand promotion, sales management, and business skills. Simultaneously, leveraging the knowledge base of the online platform and opening special courses such as "Online Instructor Improvement Training", the Group promoted the implementation of responsible marketing-related training, practical exercises, and assessments in a more flexible and efficient manner, comprehensively improving company-wide compliance marketing awareness and professional capabilities.

4.5.4.2 Customer Satisfaction

Joincare attentively listens to the voice of customers and maintains close contact with customers through multiple channels. The Group conducts quarterly satisfaction surveys for both online and offline customers, collecting customer evaluations and suggestions on products and services across multiple dimensions including product efficacy satisfaction, customer service and sales staff service satisfaction, product safety satisfaction, packaging satisfaction, and willingness to recommend to others. Based on survey feedback, the Company continuously optimizes product quality and service processes, adhering to a customer needs-driven approach and continuously improving service experience and customer satisfaction. In 2025, Joincare's overall annual customer satisfaction rate reached over 97%.

Customer Communication and Complaints

The Group is committed to building diversified and efficient customer communication channels to promptly understand customer voices and respond to their needs and expectations. Through platforms such as the official website and official hotline, complaint channels are established; dedicated after-sales personnel handle customer feedback, provide reasonable solutions after fully understanding the situation, and follow up on handling progress throughout the entire process, ensuring that customers' reasonable demands are effectively resolved. Simultaneously, the Group regularly sorts through high-frequency issues and coordinates with operations, product, logistics, and other relevant departments to drive targeted optimization, and leverages AI technology to analyze problem root causes, precisely locating specific customer service personnel and service scenarios to continuously optimize service processes and quality.

To strengthen the professional capabilities of the customer service team, Joincare regularly organizes customer service personnel to participate in customer service-related thematic training. In 2025, a total of 12 customer service training sessions were organized, covering areas including platform rules, product knowledge, AI tool operations, quality inspection processes, customer service work order system operations, invoice issuance processes, and service quality improvement, comprehensively improving the service quality and response efficiency of frontline personnel.

Customer Privacy Protection

Joincare strictly complies with laws and regulations such as the *Civil Code of the PRC* and the *Personal Information Protection Law of the PRC*, establishing a comprehensive customer privacy and security risk management system to effectively safeguard the security of customers' personal information. In terms of data collection, the Group adheres to the principle of "minimum necessary", only collecting personal data within a defined and limited scope and supporting customers in correcting their personal data at any time through channels such as telephone and email. For scenarios involving sensitive or highly confidential information, the Group signs confidentiality agreements with relevant partners and adopts necessary technical and management measures to ensure the security and controllability of information throughout its entire lifecycle. In 2025, the Group had no incidents of infringement of customer privacy rights or leakage of customer privacy data.

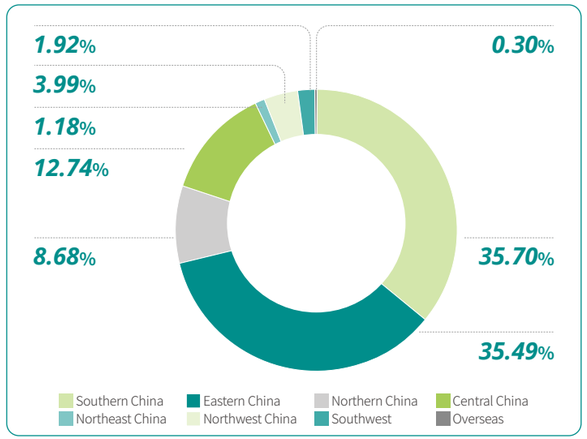
PART 05 Supply Chain Security

Joincare values its long-term collaborative relationships with suppliers, adhering to the principles of integrity, mutual trust, and shared success to jointly build a stable and sustainable supply chain. We strictly comply with the *Tendering and Bidding Law of the People's Republic of China* and other relevant laws and regulations, and continuously improve internal systems such as the *Procurement Control Management Procedure, Supplier Management System*, and *Material Supplier Selection Operating Procedure* to standardize procurement and supplier management, and clearly require suppliers to comply with the Group's standards of product and service quality.

SDGs in this section

We have formulated and issued the *Supplier Code of Conduct*, setting out the key principles that suppliers should follow in areas including business ethics, labor rights and human rights, health and safety, and environmental protection and green development. At the same time, we continuously review the Group's procurement operations to ensure that our selected suppliers comply with the requirements of the *Supplier Code of Conduct* in their business activities, thereby avoiding potential ESG risks.

Geographical Distribution of Suppliers



5.1 Supplier Admission Management

We uphold the principles of fair competitive bidding, quality-first, and diversified procurement methods, and have established a rigorous supplier admission mechanism. Employing diverse approaches including written surveys and product testing, we conduct comprehensive assessments of potential suppliers across dimensions such as quality control capability, supply stability, and environmental and risk management, to gain a thorough understanding of their qualifications and capabilities. Under equal conditions, we give priority to suppliers that have obtained relevant management system certifications such as ISO 9001, ISO 14001, and ISO 45001, as well as other EHS-related certifications (e.g., Green Factory, Cleaner Production Audit, Work Safety Standardization). Suppliers admitted to the qualified list are required to sign the *Procurement Contract* and the *Supplier Quality Assurance Agreement*, and to complete the *Supplier Questionnaire*, the *Supplier EHS Questionnaire*, and the *Anti-Commercial Bribery Agreement*, clearly setting out the quality assurance and environmental, health and safety management responsibilities they bear in the course of supply, and committing to ensuring the stability and safety of material supply. For key materials, we require suppliers to provide third-party inspection reports and stability test data to ensure reliable performance, consistent quality, and compliance with production and safety requirements.

5.2 Supplier Classification and Risk Management

During the supplier evaluation and management stage, we prioritize comprehensive identification, assessment, and management of supply chain risks, with assessment dimensions covering ESG impacts and business relevance. Regarding suppliers' ESG impact, we conduct assessments at three levels — country risk, sector-specific risk, and commodity-specific risk — to identify our significant suppliers and significant indirect suppliers.

Dimensions of Supply Chain Risks Assessment of Joincare

- Enterprise qualification
- Enterprise financial status
- Enterprise business environment
- Enterprise product quality and service
- Impact of environment and other EHS
- Impact of national environmental protection regulations and policies
- Impact of unusual climate
- International trade environment and impact
- Impact of international finance and exchange rates
- Impact of major unexpected events
- Impact of social events
- Impact of festivals
- Impact of business ethics
- Impact of workers' human rights

Details of Joincare's significant suppliers

Total number of unique suppliers
3,964

Total number of unique Tier-1 suppliers
2,977

Total number of unique significant suppliers in Tier-1
366

Total number of unique significant suppliers in non-Tier-1
177

Total number of unique significant suppliers
543

Total number of unique significant suppliers supported with development measures
9

We determine the initial risk rating of suppliers based on the category of materials supplied. Existing suppliers are classified into three tiers — H, M, and L — and managed accordingly. Each year, we conduct a comprehensive assessment of suppliers' product quality risks, material usage volumes, the degree of material impact on product quality, and the risk factors covered under the above risk assessment dimensions. Combined with the suppliers' annual quality review reports, we re-evaluate and adjust their risk ratings.

H (High-risk materials)

Materials with a direct impact on intrinsic drug quality, such as Active Pharmaceutical Ingredients (APIs) used in pharmaceutical production

M (Medium-risk materials)

Materials with an indirect impact on intrinsic drug quality, such as excipients, primary packaging materials (in direct contact with the drug), and critical consumables used in formulation/preparation

L (Low-risk materials)

Materials impacting extrinsic quality or other quality attributes, such as secondary packaging materials (outer packaging), etc.

To safeguard production stability and product quality safety, we have developed a comprehensive and systematic risk mitigation plan and contingency arrangements across all stages of product manufacturing, tailored to our supply chain and business conditions. In the procurement stage, we have established and continuously refined a dual-sourcing scheme, formulating policies on alternative suppliers and designating alternative suppliers for raw and auxiliary materials, key consumables, and other materials to mitigate supply disruption risks as much as possible. In the manufacturing stage, while conducting formulation research, we have established active pharmaceutical ingredient (API) production bases, actively developing API production processes to enhance our self-production capability for key raw materials, with the aim of achieving integrated "API + formulation" production. In addition, the Group's multiple production facilities distributed across the country can serve as backup plants for each other, providing production support in the event of an emergency.

We continuously monitor inventory levels of production materials and have formulated the following risk response measures to safeguard production stability from the source. Each production subsidiary also actively takes measures to address supply chain stability risks:

- Sign strategic cooperation agreements with significant material suppliers to ensure stable material supply
- Formulate supplier supplementation plans, develop and lay out suppliers in advance, and avoid sole-source supply wherever possible
- For materials supplied by high-risk suppliers, adopt a safety stock strategy and dynamically manage inventory to ensure a reasonable stock level sufficient to meet six months to one year of production needs.

Company	Details
Joincare Haibin	Joincare Haibin implements a diversified sourcing strategy to actively address supply chain stability risks: • Key raw materials, auxiliary materials, and packaging materials are sourced from multiple suppliers; production consumables maintain multiple qualified suppliers to choose from, avoiding supply shortages and ensuring stable supply. When an existing supplier experiences short-term supply shortfalls due to force majeure, we require new suppliers to replenish sources in a timely manner to ensure uninterrupted production, continuously reducing the risk of supply interruption for raw materials, auxiliary materials, and packaging materials. • For exclusively imported materials, domestic suppliers are added to mitigate stability risks arising from changes in the international situation or supplier-specific reasons causing delayed delivery. In 2025, we continued to develop domestic suppliers and, following multiple rounds of screening and rigorous quality assessments, selected domestic suppliers with excellent qualifications and strong technical capabilities to diversify supply sources and reduce the supply risk posed by overseas suppliers due to international trade friction.
Taitai Pharmaceutical	Taitai Pharmaceutical continuously reviews past cooperation models with suppliers and builds feasible schemes to mitigate supply risks, addressing potential supply chain stability risks such as material shortages, supply scarcity, and delayed delivery: • Regularly review inventory status, establish minimum inventory alert thresholds, and make advance preparations for material procurement; • Regularly conduct written or on-site reviews of supplier qualifications and production premises to understand the latest operational status of suppliers and promptly assist them in resolving production difficulties; • Establish long-term cooperation relationships with suppliers and sign annual procurement agreements to ensure that suppliers deliver goods as required and reduce the risk of supply interruptions. In 2025, Taitai Pharmaceutical continued to advance supply chain optimization, striving to achieve dual-supplier coverage for all raw materials, auxiliary materials, and key consumables, so as to effectively ensure a stable supply of raw materials required for production lines and significantly reduce the risk of production stoppages caused by a single supplier's supply disruption or material shortages.
Xinxiang Haibin	Xinxiang Haibin has adopted the following measures to effectively prevent product stockouts and shortages of qualified suppliers: • For key raw materials, ensure a minimum of three qualified suppliers to maintain safe and stable supply channels; • Based on the cyclical market supply conditions of products each year, make advance judgements on market supply and demand, and maintain a certain safety stock for scarce materials in advance to address uncertainties arising from market changes; • Continuously seek out and develop new qualified suppliers to ensure diversification across multiple regions, channels, and sources, addressing uncertainty risks arising from government policies and market supply-demand dynamics.
Haibin Pharma	Haibin Pharma actively promotes localized procurement, formulating systems such as *Supplier Selection, Evaluation and Maintenance and Supplier Audit Management Procedure*, clearly prioritizing manufacturers as suppliers to shorten the supply chain and improve response efficiency: • For starting materials, raw and auxiliary materials, inner packaging materials, and intermediates that have cleanliness requirements for production, Haibin Pharma strictly prohibits bulk-broken procurement from distributors to ensure traceability of sources and controllability of quality; • While ensuring quality, Haibin Pharma comprehensively considers price, service, and timeliness of delivery when selecting suppliers in a scientific and efficient manner, ensuring supply chain stability and safety.

5.3 Supplier Audit and Evaluation

Referencing the responsible supply chain management principles of the Pharmaceutical Supply Chain Initiative (PSCI Principles) and industry practices, Joincare has formulated and implemented systems including the *On-site Audit Management Procedure, Supplier Quality Review Management, Material Supplier Quality Audit Procedure*, and *Supplier Management Procedure*. In accordance with requirements, we regularly conduct on-site reviews and desk assessments of suppliers' qualifications, production premises, process technology and production facilities, warehousing management, quality management systems, environmental protection, and occupational health and safety management, and clearly set out work requirements for the Group's supplier auditors to continuously improve the standardization level of supplier management. In addition, where necessary, we engage third-party professional organizations to conduct on-site audits of suppliers. We continuously strengthen management of key indirect suppliers by conducting on-site audits of the manufacturers of key products procured from distributors (i.e., the Group's significant indirect suppliers), comprehensively inspecting production equipment and quality management conditions upstream in the supply chain to ensure that all capabilities of significant indirect suppliers meet our requirements. During the Reporting Year, we further improved the *Supplier Management Procedure*, adding EHS-related content to the supplier questionnaire, explicitly requiring suppliers to establish an EHS management system commensurate with their business operations, to ensure they have basic management capabilities in the areas of environmental protection, occupational health, and safe production, and to continuously fulfil their corresponding responsibilities.

We determine the frequency and form of supplier audits based on the risk category of the supplier. For management or quality deficiencies identified during supplier audits, we notify the supplier by means of a quality feedback notice and compile the audit results into a *Supplier Quality Audit Report*, requiring suppliers to implement rectifications item by item. We also continuously track the progress of supplier deficiency rectification, collecting rectification reports in a timely manner to drive suppliers to genuinely improve their quality management. In 2025, in accordance with the annual supplier audit plan, we conducted audits of a total of 562 Tier-1 suppliers and on-site audits of 16 significant indirect suppliers.

Joincare Supplier Audit Frequency and Form

Supplier Classification	Audit Frequency and Form
H (High-risk materials)	One on-site audit every 3 years
M (Medium-risk materials)	One desk audit on quality every 3 years, and on-site audit when necessary
L (Low-risk materials)	Qualification information update

We also conduct an annual comprehensive supplier evaluation, scoring suppliers in accordance with the *Annual Supplier Evaluation Form* across dimensions including product quality, delivery accuracy, delivery timeliness, and supplier service. The results of the annual evaluation are classified into four grades: A, B, C, and D. Among these, Class C suppliers are required to undertake rectification within a specified period; during the rectification period, we reduce procurement volumes accordingly, and reassess their qualification grade after rectification is completed. Class D suppliers are classified as unqualified suppliers, with cooperation terminated immediately and their supply qualifications cancelled for three years. The annual evaluation results serve as an important basis for the allocation of procurement volumes in the following year. Each subsidiary also adjusts its procurement proportions for the current year in a reasonable manner based on its own operational needs and the results of the previous year's evaluation. In 2025, the Group conducted annual comprehensive assessment of a total of 191 unique significant suppliers via desk assessments/on-site assessments. None of these unique significant suppliers were assessed with substantial actual/potential negative impacts.

Company	Details
Joincare Haibin	In 2025, Joincare Haibin conducted quarterly evaluations of Tier-1 and Tier-2 material suppliers. Using the *Material Supplier Quarterly Scorecard* and the *Material and Supplier Evaluation Standards*, suppliers were assessed and scored on whether their supplied materials continuously meet the Group's requirements.
Jiaozuo Joincare	In 2025, Jiaozuo Joincare optimized the annual comprehensive supplier evaluation mechanism by introducing Feishu multi-dimensional tables and AI tools, setting up standardized ledgers to integrate feedback from procurement, inspection, and usage stages. The AI tool automatically scores based on preset rules and generates quarterly and annual evaluation reports as the basis for supplier classification. Evaluation results are communicated to suppliers via automated email, with copies sent to quality and supply department heads to promptly drive rectification, effectively improving evaluation and management efficiency and ensuring stable supply chain operations.
Haibin Pharma	In 2025, Haibin Pharma conducted comprehensive evaluations of high-risk and medium-risk material suppliers through a combination of on-site audits and written audits. The audit covered multiple dimensions including the production quality management system and ESG indicators, with a focus on identifying potential compliance and operational risks, and driving suppliers to continuously improve in areas such as quality control, sustainable development, and social responsibility.

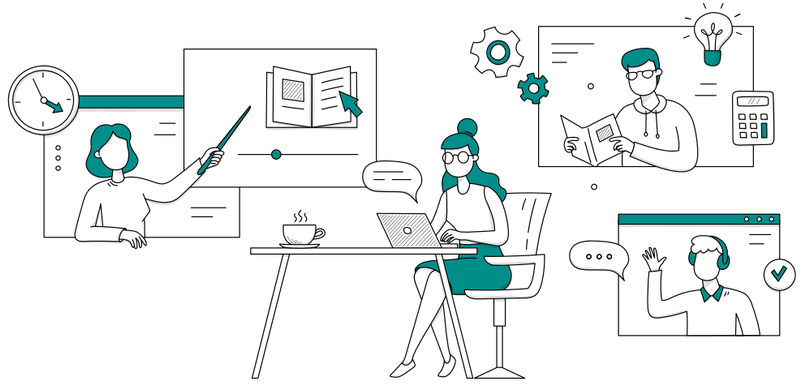
5.4 Supplier ESG Management

Joincare adheres to responsible procurement, continuously improving its supply chain ESG management system and closely monitoring suppliers' sustainable development management capabilities and performance. The Board of Directors' Sustainability Committee serves as the highest decision-making body, responsible for overseeing the implementation of the Group's supplier ESG management. In addition, we have explicitly set out requirements for suppliers in terms of environmental, social, and governance matters in the *Supplier Code of Conduct*, and continuously strengthen the assessment and management of suppliers' ESG performance across the stages of admission review, on-site audit, and annual evaluation.

At the supplier admission stage, we investigate and score their EHS management and use the EHS score as one of the important reference criteria for admission to the qualified supplier list. At the start of cooperation, we organize suppliers to study the specific requirements of the Group's *Supplier Code of Conduct*, guiding them to conduct production and operations in a more sustainable manner, encouraging suppliers to obtain management system certifications such as ISO 14001 and ISO 45001, and regularly verifying the validity of such certifications, so as to reduce supply chain ESG risks. As at the end of the Reporting Period, a total of 779 suppliers of the Group and its subsidiaries had obtained environmental management system certification, and a total of 692 suppliers had obtained occupational health and safety management system certification.

At the supplier audit and evaluation stage, we thoroughly review suppliers' ESG management and their implementation of the *Supplier Code of Conduct*, and share relevant ESG regulations and regulatory developments with suppliers during on-site audits. Suppliers found to have violated the Group's ESG standards during audits or evaluations who fail to carry out rectification within our required timeframe will have their cooperation qualifications cancelled. In addition, with respect to supplier EHS management, we have formulated the Supplier EHS Audit Management Procedure, clearly setting out the content and management requirements for EHS audits of suppliers. Supplier EHS audits cover areas such as safety and environmental protection, with content encompassing toxic and hazardous emission indicators such as particulate matter, sulphide, and VOCs emissions, to review suppliers' management of indirect water pollutant discharge, air pollutant discharge, and environmental noise. We organize annual supplier EHS audits and use the results as an important basis for the assessment of procurement volumes in the following year, thereby driving suppliers to improve their EHS management.

We also actively organize employees in procurement-related positions to study the Group's supplier ESG management systems, gaining an in-depth understanding of the Group's ESG management requirements for suppliers across the three dimensions of environmental, social, and governance. The relevant training has significantly enhanced procurement employees' awareness of supplier ESG management and helps them incorporate sustainable supply chain management requirements into their daily work, implementing and effectively enforcing the various standards of supplier ESG management.



Company Name	Supplier EHS Audit
Xinxiang Haibin	Xinxiang Haibin has incorporated EHS audits into the annual supplier audit plan. The audits cover staff occupational health and safety management, wastewater pre-treatment, waste gas treatment, and solid waste treatment. At the same time, Xinxiang Haibin focuses on the supplier's treatment of toxic and harmful emissions, reviewing its VOC emissions, exhaust gas and other indicators.
Jiaozuo Joincare	Jiaozuo Joincare carries out on-site supplier audits in accordance with ESG standards. The company conducts supplier EHS audits by checking written documents and records, operation of environmental protection facilities during production, and compliance with operation norms for employee safety. For suppliers not certified by the ISO 14001 and ISO 45001 systems, Jiaozuo Joincare provides professional guidance and assistance to advance their sustainability efforts. By doing so, the company aligns their production activities with the demanding requirements in terms of EHS. During the Reporting Year, Jiaozuo Joincare required suppliers to prioritize the use of new-energy vehicles for transportation; where this is not feasible, vehicles meeting China VI emission standards or above must be used, reducing emissions of nitrogen oxides, particulate matter, and other pollutants at the source. Jiaozuo Joincare has strengthened low-emission requirements by establishing penalty measures for non-compliance, building a full-chain, traceable green supply chain management and control system.
Haibin Pharma	In supplier audits, Haibin Pharma focuses on the certification and practical implementation of suppliers' environmental and occupational health and safety management systems, and conducts on-site inspections of key areas such as fixed pollution source emission management, exhaust gas treatment facility operations, and waste disposal, ensuring that suppliers comply with environmental regulations and EHS management requirements in their production and business operations. During the Reporting Year, Haibin Pharma strengthened environmental, health, and safety management for suppliers by signing the *EHS Notice Letter* with significant suppliers, clearly setting out the EHS standards they must observe in the course of production and business operations, further standardizing suppliers' principal responsibilities and promoting sustainable supply chain development.
Livzon Group	Livzon Group, a controlling subsidiary of Joincare, has incorporated EHS audits on suppliers into the annual supplier audit plan. The audit covers environmental and safety indicators, such as energy conservation and emission reduction, compliance with pollutant discharge standards, compliance with solid waste collection and disposal regulations, and ISO system certification. In addition, Livzon Group closely monitors the harmful emissions of suppliers, including sulfur dioxide emissions and hazardous waste treatment indicators into the scope of audits.

5.5 Supplier Capability Building

Joincare encourages suppliers to strengthen capability building, and through training, exchanges, and collaboration, helps suppliers achieve comprehensive development through multiple channels. To ensure that our products are sourced safely and reliably, we conduct at least one quality training per year covering all high-risk suppliers, communicating the Group's quality standards and requirements to suppliers, helping them analyzes existing areas for quality improvement, and providing guidance on environmental protection and technology upgrading, encouraging suppliers to formulate improvement plans and drive the implementation of related initiatives. We summarize quality issues identified during supplier audits and annual evaluations in a timely manner, conducting targeted training and communication sessions with suppliers to improve training efficiency. In addition, we provide suppliers with industry ESG benchmark data and, in conjunction with remote and on-site support, assist them in effectively implementing corrective and improvement measures. Joincare has formulated an in-depth technical support plan, instilling quality management approaches such as 5S site management to genuinely enhance suppliers' overall capabilities and ESG performance. In 2025, the Group's supplier quality training covered all high-risk suppliers.

Case

Supplier Training Initiatives Across Joincare Subsidiaries

In 2025, Joincare Haibin conducted quality improvement training for high-risk material suppliers, communicating the Group's quality management objectives to suppliers and strengthening their understanding of key quality management and EHS management points.

- In 2025, Haibin Pharma conducted a total of 13 supplier quality training sessions, communicating the Group's quality management requirements to suppliers and strengthening quality management awareness to ensure that products are sourced safely and reliably. In addition, Haibin Pharma supports suppliers in enhancing their sustainable development capabilities through approaches such as dispatching personnel to conduct on-site coaching, for example conducting on-site coaching for the anhydrous sodium carbonate (sterile grade) supplier on aseptic operating standards and following up on rectification and implementation.
- In 2025, Jiaozuo Joincare conducted a series of systematic and targeted quality training activities for raw material suppliers, with training content centered on three themes: "New Employee Induction Quality Awareness Training", "5S Management Training", and "Supplier Management Training", primarily covering Class A significant material and Class B general material suppliers. Through case sharing, interactive sessions, and hands-on guidance, the training helped suppliers gain a deep understanding of the importance of quality awareness, master 5S site management methods, and clarify their responsibilities and requirements within the supply chain. Through two-way communication and experience sharing, the initiative not only enhanced suppliers' quality and EHS management capabilities but also strengthened the collaborative partnership between us and our suppliers.

Jiaozuo Joincare Supplier Training

PART 06 Employees

Joincare practices the core value of "people-centeredness", viewing talent as the key resource and fundamental driving force for the Group's long-term sustainability. We are committed to comprehensively safeguarding employees' legitimate rights and interests, actively creating a diverse, equal, and inclusive working environment, and placing great emphasis on listening to employees' voices and responding to their concerns. In terms of talent management, we systematically advance the construction of systems for talent introduction, development, and incentivization, continuously improving training mechanisms and remuneration and benefits systems to fully leverage talent. At the same time, we attach great importance to occupational health and safety, continuously strengthening safe production management and health protection measures to create a healthy, safe, and sustainable working environment.

SDGs in this section

6.1 Employee Rights and Interests

The Group has always regarded high-quality talent as the core competitiveness driving enterprise development, and is committed to safeguarding employees' legitimate rights and interests, improving employment management systems, eliminating all forms of bias, discrimination, and harassment, and creating a diverse and equal working atmosphere. As at the end of the Reporting Period, the Group's total number of employees in service was 13,575.

6.1.1 Compliant Employment

We strictly comply with laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Regulations on the Prohibition of Child Labor*, and have formulated the *Code of Labor Employment and Ethical Conduct* [6] (the *Code of Employment*), which applies to all employees of the Group and its subsidiaries (including full-time, part-time, and temporary employees), as well as all suppliers, contractors, service providers, customers, and other partners with business dealings with the Group, to continuously standardize employment management. We are committed to eliminating all forms of discriminatory behavior, and the *Code of Employment* sets out in detail the reporting process for discrimination and harassment incidents, as well as disciplinary and corrective measures (please refer to Articles 5, 6, and 8 of Section III, "Labor Management" of the *Code of Employment*).

We also continuously optimize human resources management systems and procedures including the *Human Resources Management Procedure*, *Training Management System, Attendance and Leave Management System*, and *Employee Handbook*. We sign labor contracts with employees on a voluntary basis, clearly setting out the rights and obligations of both the Group and employees, and consistently comply with laws and regulations in all aspects of employment. During the Reporting Year, no discrimination or harassment incidents occurred within the Group.

6.1.2 Protecting Human Rights

The Group strictly adheres to the *UN Universal Declaration of Human Rights* and the core conventions of the International Labor Organization (ILO), deeply integrating human rights protection and labor rights safeguarding throughout the entire value chain of corporate operations and supply chain management. We have formulated and publicly released the *Code of Employment*, clearly committing to the elimination of forced labor, prohibition of child labor, opposition to all forms of workplace discrimination and harassment, equal pay for equal work, freedom of association, equal consultation, occupational safety and health, and other human rights protection clauses (please refer to Section II, "Recruitment and Employment", and Section III, "Labor Management" of the *Code of Employment*), safeguarding employees' legitimate rights to freedom of association and equal pay for equal work. The Group's *Code of Employment* and related commitments apply not only to all the Group's business operation locations and all employees but also strengthen the management of human rights-related issues among upstream and downstream suppliers and partners through the *Code of Conduct for Suppliers*. At the same time, we regularly conduct dedicated anti-discrimination and anti-harassment training for all employees, strengthening awareness of employee rights protection and understanding of workplace conduct norms.

The Group has established a full-process human rights due diligence mechanism covering risk identification, assessment, mitigation, monitoring, and reporting. In 2025, we conducted human rights due diligence targeting all employees of the Group and significant suppliers, achieving 100% coverage of due diligence, focusing on core dimensions such as labor, child labor, freedom of association, collective bargaining, and workplace discrimination. The investigation found no human rights-related risks; the relevant findings and improvement plans have been submitted to the Board of Directors' Sustainability Committee for review. At the same time, we conduct human rights assessments across all the Group's business operations, and the assessments did not identify any significant human rights-related issues. We also always remain vigilant about human rights issues, regularly conducting targeted training and keeping communication channels open to ensure that employees' grievances receive adequate attention and response. In addition, the Group has established an independent human rights grievance channel; all employees and related parties may report potential human rights risks or identified human rights issues through the grievance hotline published on the company's official website. We strictly enforce the *Whistleblower Protection System* to provide comprehensive protection for good-faith reporters, and for verified violations we take measures including termination of employment contracts or referral to judicial authorities. At the same time, to mitigate the negative impact of such incidents on affected parties, the Group also provides them with necessary assistance. For common grievances fed back by employees through multiple channels, the Group has established a rapid response and closed-loop management mechanism, driving targeted improvement plans to genuinely respond to employees' concerns and effectively improve employee satisfaction and sense of belonging.

6.1.3 Diversity and Inclusion

The Group is consistently committed to creating a diverse, equal, and inclusive workplace ecosystem, viewing diversity and inclusion as core elements driving organizational innovation and sustainability. We have formulated and implemented the *Diversity, Equity and Inclusion Policy*, clearly specifying that the Board of Directors' Sustainability Committee is responsible for reviewing the policy and overseeing the Group's diversity performance and progress towards targets. We consistently adhere to the principles of fairness, impartiality, and openness in recruitment, and make selections, assessments, and promotions based on job requirements and candidate capabilities, without differential treatment based on gender, age, ethnicity, race, nationality, or religious belief, eliminating all forms of discrimination and bias, and providing equal development opportunities for every employee.

To deepen the implementation of these principles, the Group has incorporated diversity, equity, and inclusion training into the mandatory annual curriculum for all employees. Training content focuses on core topics such as eliminating unconscious bias, cross-cultural collaboration and communication, and workplace anti-discrimination and anti-harassment, adopting innovative immersive teaching approaches such as case studies and scenario simulations to guide employees to actively practice inclusive values. At the same time, the Group has added a module on diversity values in new employee orientation, using system interpretation and cultural sharing to help new employees establish an equal and respectful understanding of the workplace from day one, quickly integrating into the inclusive cultural atmosphere. This training achieves full coverage from frontline employees to senior management, ensuring that diversity and inclusion values permeate all levels of the organization.

Based on actual business development needs, the Group has set a quantitative diversity target of "no less than 49% female employees by 2032", and continues to strengthen the collection, statistics, and disclosure of workforce diversity indicators to ensure that diversity-related efforts proceed in an orderly manner. As at the end of the Reporting Period, the Group had a total of 6,147 female employees, accounting for 45.3% of all Group employees, with female employees in management positions accounting for 38.1%.

In terms of material benefits promoting diversity, we provide female employees with paid marriage leave, maternity leave, nursing leave, and other statutory leaves, and offer exclusive health check-up services for all female employees to enable timely identification of potential health issues so that corresponding preventive and treatment measures can be taken. At the same time, we provide lactation rooms to support female employees returning to work after childbirth, and offer paternity leave for male employees.

[6] Code of Labor Employment and Ethical Conduct: https://www.joincare.com/news/402.html.

Case

International Women's Day Care Initiative

In March 2025, on the occasion of International Women's Day, the Group launched a care initiative, delivering customized gifts including flowers, delicate snacks, and coffee to all female employees, so that they could feel respected and cared for, as part of our commitment to creating a good working atmosphere that respects and cares for women.

Women's Day Activity

Case

Ethnic Minority Cultural Activities

In 2025, the Group organized ethnic minority employees to actively participate in various cultural activities, including the "Ethnic Integration, Unity and Mutual Inclusion" Xili Sub-district Exhibition for Inter-Ethnic Community Building, and the "Celebrating the 15th National Games, Ethnic Unity as One Family" 2025 Shenzhen "Liu • Shen" Joyful Walking Event, allowing ethnic minority employees to experience the charm of diverse cultures and forge a sense of cohesion and ethnic solidarity through shared participation and enjoyment.

Ethnic Minority Cultural Activity

6.1.4 Listening and Communication

To genuinely fulfil the Group's human rights responsibilities, the Group has established a safe, confidential, and effective employee grievance and reporting mechanism, committed to safeguarding the legitimate rights and interests of all employees (including full-time, part-time, and contract workers). We have set up a dedicated HR department grievance mailbox (hr.group@joincare.com) and an integrity reporting hotline to ensure channels remain open. We have established a standardized employee grievance closed-loop management mechanism: an assessment is initiated within 24 hours of receiving a grievance, an independent investigation team conducts verification, and feedback on the handling decision is provided to the grievant within a specified timeframe, ultimately completing systematic filing and implementation tracking to form a fully traceable management closed loop, genuinely safeguarding employee rights and interests.

The Group maintains a "zero-tolerance" principle on retaliation and strictly protects grievant information. The grievant protection mechanism is a core component of the Group's *Code of Employment*, aimed at continuously building and maintaining a working environment of mutual trust and respect through fair and transparent procedures. Any retaliatory behavior found will be dealt with seriously in accordance with the Group's internal regulations and relevant national laws and regulations. In addition, we provide psychological support and legal advisory services to complainants to help them cope with the psychological stress arising from the grievance process, safeguarding the mental and physical health of complainants.

Protection Measures for Complainants

- The information on whistleblowers and complainants as well as the content of reports and complaints should be strictly confidential. The materials and records of reports should be incorporated into confidential document management. The settled cases should be filed.
- Receiving reports and complaints and verifying with relevant personnel, such as whistleblowers and complainants, should be conducted in a confidential way, without the identity of the personnel being disclosed.
- Any personal information, including identity and rewards cannot be disclosed without the express consent of whistleblowers and complainants.

We regularly conduct satisfaction surveys for all employees of the Group and its subsidiaries on an annual basis, which cover multiple dimensions, including employees' work satisfaction, sense of well-being, and work-rated stress levels. We fully respect employees' opinions and feedback and promptly take measures for improvement, continuously enhancing employee satisfaction and engagement.

We conduct regular employee satisfaction surveys each year targeting all employees of the Group and its subsidiaries, covering multiple dimensions including employee satisfaction with work, the purpose of work, sense of happiness, and stress levels. We fully respect employees' opinions and feedback, and take timely improvement measures to continuously enhance employee satisfaction and engagement.

Case

Joincare Employee Satisfaction Survey

In 2025, we systematically conducted an employee engagement and satisfaction survey covering the Group and its subsidiaries, achieving 100% employee participation, with an employee satisfaction rate of 90%. The survey covered multiple dimensions including employee job satisfaction, sense of purpose, happiness, and stress. We conducted structured analysis of the survey data and formulated targeted improvement plans based on the results, driving dedicated improvement initiatives and regularly updating employees on progress. Through the "survey – analysis – improvement – feedback" closed-loop management mechanism, the Group continuously translates employee opinions into management practice to enhance organizational effectiveness and employee job satisfaction.

Employee Trade Union Management

We have always regarded employee trade unions as an important communication channel between management and frontline employees. We regularly organize employee representative conferences to maintain close communication with employees, enabling them to fully participate in decision-making on important Group matters, and continuously strengthening the connection between the enterprise and its employees. To better leverage the important role of trade unions in employee care work, we invite professional psychological counsellors to give lectures, alleviating the stress that employees experience at work and in life, and helping them regulate their emotions and relax. During the Reporting Year, 100% of the Group's employees were represented by the independent trade union.

6.2 Talent Management

The Group attaches great importance to building a talent pipeline, has formulated a talent development strategy, scientifically forecasts talent needs, actively develops the talent pool, and builds talent reserves to support the Group's high-quality development. We actively broaden talent introduction channels and implement more employee-oriented talent retention measures, striving to retain outstanding talent. At the same time, we provide employees at different levels and in different positions with training courses suited to their development needs, continuously building a learning organization. We also continuously optimize the remuneration and benefits system to share the fruits of the Group's development with employees.

6.2.1 Talent Introduction and Retention

Based on the Group's strategic positioning, business development needs, and current talent landscape, we continuously optimize our talent introduction strategy. By gaining in-depth insight into industry development trends and market dynamics, we accurately judge the talent gap in key positions. During the Reporting Year, we coordinated and advanced diversified recruitment initiatives including social recruitment and campus recruitment, integrating multiple channel resources such as online recruitment, internal referrals, headhunter partnerships, and government agency connections, to strengthen talent reserves and attract high-quality talent aligned with the Group's long-term development goals, providing strong momentum for sustained business growth.

We attach great importance to the introduction of high-end talent and continue to deepen cooperation with renowned domestic and overseas universities and research institutions to target and introduce outstanding R&D personnel, providing solid talent support for the efficient transformation of scientific and technological achievements. In addition, we actively promote the deployment of AI technology in recruitment screening, using AI to deconstruct core position requirements and conduct intelligent analysis and matching of candidate CVs, significantly improving the efficiency and precision of talent screening. During the Reporting Year, the Group introduced a total of 2,155 new employees.

University-Enterprise Cooperation

To attract high-quality students and strengthen the Group's talent pipeline, in 2025 we actively responded to the national call to "deepen the integration of industry and education", adhering to the principle of "collaborative talent cultivation, mutual benefits and shared success", to engage in deep strategic cooperation with a number of domestic research institutions and universities and build a seamless "campus-to-enterprise" talent cultivation and deployment system.

During the Reporting Year, we signed cooperation agreements with universities including Guangdong University of Technology, Shenzhen University, and Henan Agricultural Vocational College, and carried out a series of internship projects through models such as "dual-mentor apprenticeships" and work-study rotation, enhancing the vocational skills of current students. At the same time, we provide interns with comprehensive benefits including remuneration, meal subsidies, accommodation arrangements, and health check-ups, and offer priority permanent employment opportunities for students who perform excellently during their internship.

Case

University-Industry Cooperation Internship program

Taitai Pharmaceutical established a strategic partnership with Hunan Food and Drug Vocational College, officially inaugurated as a "University-Enterprise Cooperation Practice Base", and innovatively created a dual-track cultivation model of "project-based practical training + apprenticeship-style mentoring", driving precise alignment of university program curricula with enterprise position skill requirements. During the Reporting Year, the base cumulatively accepted 67 interns; through systematic cultivation including position-based practical operations, skills training, and career planning guidance, a total of 10 outstanding students successfully passed assessments and were officially recruited, effectively achieving the talent conversion goal of "starting studies means starting a career; graduating means finding a job".

Talent Retention

The Group has established a structured communication mechanism, conducting regular interviews at key touchpoints including onboarding, probation, and performance evaluations to gain timely understanding of employees' dynamics and development needs. For high-performing and high-potential employees, managers conduct full-process tracking and personalized communication, providing clear growth paths. At the same time, the Group strictly implements a 100% exit interview system, using in-depth attribution analysis of reasons for departure to feed insights back into the iterative optimization of departmental management practices, forming a management closed loop for preventing talent attrition.

In day-to-day management, we have strengthened the culture of face-to-face communication, encouraging managers to proactively identify and intervene in potential resignation risks through regular team meetings and one-on-one conversations. In addition, through a multidimensional recognition system (e.g., annual awards, instant project rewards) and rich physical and mental health activities (e.g., health lectures, sports competitions), the Group continuously improves employees' sense of professional achievement, sense of belonging, and overall wellbeing. This comprehensive system of "early prevention – mid-term intervention – post-event review" is designed to fundamentally enhance employee engagement and organizational identity, providing stable talent assurance for sustainable business development. The Group's voluntary employee turnover rate for the Reporting Year was 10%.

Over the past three years, the Group has not experienced any major layoffs, or any major merger or acquisition events affecting employees.

6.2.2 Training and Development

The Group has always regarded talent cultivation as a core pillar of sustainable development. During the Reporting Year, we further deepened the training management system, solidifying the three-tier responsibility mechanism of "Group – department – position", and advancing the iterative upgrading of the training system and curriculum system guided by strategy implementation and business development, precisely meeting the demands of industry transformation and the Group's digital and intelligent transformation. We upgraded the core of the training management system, adopting an Online-Merge-Offline (OMO) model to achieve closed-loop management of the full training process, optimizing the digital training platform by adding functions such as automated plan delivery to improve operational efficiency, and continuing the "feedback – optimization – iteration" mechanism to ensure training quality. At the same time, in curriculum system upgrading we focused on two core areas: following up on the 2025 edition of the Chinese Pharmacopoeia and international GMP standards to update relevant courses and reshape new employee orientation to reinforce quality foundations; and introducing AI tool application courses and driving the deep integration of AI technology with business scenarios through practical activities, incorporating innovative achievements into assessments to advance digital and intelligent transformation.

The company has established a system for return interviews and training for employees returning from maternity and sick leave, strengthening post-return position competency and professional confidence through customized transition enablement. The retirement support mechanism has also been improved, with trade unions specifically coordinating the distribution of retirement gifts to empower employees to achieve a smooth transition from workplace to social life.

As at the end of the Reporting Period, the total training hours of all employees amounted to 1,254,403 hours; average training hours per employee were 92.4 hours.

On-boarding Training

The Group has built a full-cycle new employee cultivation system centered on "accelerating integration and enabling growth", systematically helping new employees complete their role transition through customized training, dynamic assessments, mentorship coaching, and other diverse initiatives; at the same time implementing differentiated strategies for all new employees and fresh graduates, building a talent cultivation ecosystem of precise enablement, and strengthening the foundation of the Group's talent pipeline.

Case

On-boarding Training

During the Reporting Year, we continued to implement a standardized and refined three-stage tracking cultivation system for newly onboard employees, comprehensively empowering employee growth. We implement one-on-one customized onboarding training for new employees, closely aligned with core position requirements and using a combined "theory instruction + practical exercises" model to help new employees rapidly build a solid position competency foundation. At the same time, we have established a dynamic tracking assessment mechanism during the probation period, implementing monthly tracking and quantitative evaluation, promptly feeding back staged growth advice to ensure that the cultivation process is controllable and growth paths are clear. In addition, we have implemented a long-term mentorship support post-confirmation, assigning dedicated mentors to employees and conducting one-on-one coaching over 6–12 months, providing both support for tackling specialist challenges and targeted career development planning to help employees grow.

Case

Dedicated Training Camp for Fresh Graduates

In 2025, the Group continued to advance the dedicated training camp project for fresh graduates, focusing on three core objectives: enterprise culture and system understanding, workplace role transition, and professional competency enhancement, building a multi-faceted composite cultivation model of "offline intensive training + outdoor development + online learning + one-on-one coaching". Through systematic cultivation, this helps fresh graduates gain an in-depth understanding of the Group's core values and business strategy, quickly integrate into the organizational atmosphere, and smoothly complete the transition from campus to workplace.

Job-specific Development Training

Based on the business characteristics and professional knowledge requirements of different positions, we tailor job- specific development training plans for employees, implementing systematic and differentiated training projects targeting key positions in R&D, production, quality, and management, aimed at precisely enhancing employees' professional skills and compliance awareness, and driving the Group's high-quality development.

Case

Job-specific Development Training

- **R&D positions:** AI tool application course series introduced, focusing on cultivating R&D personnel's AI thinking and practical skills. Courses cover structured prompt engineering, AI-assisted drug molecule design, clinical trial data analysis and prediction, and intelligent retrieval and interpretation of scientific literature. Through a combination of theory and position-specific scenario practice, these courses promote the deep integration of AI technology throughout the entire drug R&D process.
- **Production positions:** Follow-up on the 2025 edition of the Chinese Pharmacopoeia, international GMP (Good Manufacturing Practice), and other latest regulatory standards, with a comprehensive update of relevant courses. Training adopts modular teaching combining "theory + practical operations + case studies", with a focus on strengthening core capabilities such as quality control throughout the pharmaceutical production process, standard equipment operation, deviation management, and safe production, ensuring compliance of production activities and stability of product quality.
- **Quality positions:** High-frequency, high-intensity dedicated training sessions covering in-depth interpretation of regulatory developments, execution of quality standards systems, and strict implementation and optimisation of SOPs (Standard Operating Procedures). The aim is to build a full-employee, full-process, full-chain compliance culture and consolidate the quality system.
- **Management positions:** Dedicated competency enhancement projects designed for managers at different levels, covering but not limited to strategic thinking, team building and motivation, effective communication, project management, cost control, and management innovation in the context of digital and intelligent transformation, helping managers achieve the transformation from capable practitioners to outstanding leaders.

Case

AI Application Training

During the Reporting Year, we systematically conducted cutting-edge AI tool application training with a focus on enhancing overall digital literacy and innovative efficiency. Courses covered operational skills for tools such as Gemini, ChatGPT, and DeepSeek, along with structured prompt engineering, and through cross-departmental practical case teaching in areas such as R&D data analysis, production process optimisation, and quality control early warning, the training focused on cultivating employees' mindset of using AI technology to identify business pain points and solve real problems, driving the deep integration of artificial intelligence with core business scenarios.

AI Application Training

Case

Xinxiang Haibin Compliance Position Training

During the Reporting Year, Xinxiang Haibin conducted dedicated compliance position training, continuously fostering a company-wide compliance culture through high-frequency, high-intensity dedicated training and consolidating the foundations of corporate compliance governance. The quality department organised 12 department-level training sessions throughout the year, of which 7 involved regulatory interpretation and Standard Operating Procedure (SOP) document execution training, accounting for 58.3%. This high-weighting compliance training strategy greatly strengthened the quality team's awareness of laws and regulations and professional performance capability, building a solid compliance defence line for the company's product quality.

Xinxiang Haibin Compliance Position Training

Promotion and Job Transfer Mechanism

To activate internal talent vitality and optimize human resource allocation, we adhere to the principle of "equal opportunity, internal priority" for talent mobility, establishing and continuously improving internal job transfer and promotion mechanisms covering various job levels to build clear and diverse career development pathways for employees. We have established a dual-track career development system featuring "Professional" and "Management" tracks in parallel, clarifying competency standards and promotion requirements for each job level and career stream, as well as advancement pathways for each stream: the Administrative stream emphasizes cross-departmental comprehensive experience, the Technical stream focuses on deep professional breakthroughs, and the R&D stream leverages innovative projects to expand frontier capabilities, encouraging cross-boundary development for versatile talents.

Regarding promotion mechanisms, we adhere to the principle of combining "step-by-step advancement" with "exceptional promotion," ensuring both the stability of talent development and fast-track channels for outstanding performers. For excellent managers and core talents who have demonstrated outstanding performance and made significant contributions in critical technology breakthroughs and major project execution, we break through job level and tenure constraints to grant exceptional promotions, effectively motivating employees' entrepreneurial spirit and enabling a cohort of high-quality talents to stand out.

Meanwhile, the Group supports employees in cross-departmental and cross-functional transfers, facilitating rapid integration into new positions through regular internal job postings and comprehensive "Assessment—Coaching—Training" support throughout the process. A regular job transfer assessment mechanism provides cross-departmental and cross-functional development opportunities for qualified and willing employees. These institutionalized internal mobility channels aim to break down career barriers, unlock employee potential, thereby enhancing the organization's overall vitality and innovation resilience, and building core human capital for sustainable development.

Succession Planning and Leadership Development

To build a sustainable talent pipeline and support the achievement of strategic goals, the Group has established a systematic, phased employee leadership development system, with precise planning and enablement targeting core capability needs at different career stages.

We have established a comprehensive and hierarchical management and leadership development training system, covering employees from entry level to senior management

Entry level

Specifically designed for new employees to support them in smoothly completing the transition from campus to workplace, rapidly establishing a sense of organizational belonging and professional identity. Through fresh graduate training camp courses and team integration development programs, it helps them understand the Group's culture, clarify their growth paths, and lay the foundation for their careers.

Executive level

Focused on improving employees' high-performance execution capability in specialist positions and initial coaching skills. A series of specialist skills, process standards, and tool application training is conducted around key business chains including R&D, production, supply chain, and marketing, ensuring effective implementation and continuous optimization of business standards.

Junior management

Dedicated to cultivating new managers' team management and basic leadership capabilities. Through programs such as "manager role awareness" training and cross-regional learning exchanges, their practical skills in personnel management, task allocation, performance feedback, and team motivation are systematically enhanced.

Middle and senior management

Aimed at developing the strategic thinking, organizational management, and change leadership of core managers. Through workshops on strategic decoding and advanced studies on upward and downward management, their capabilities in strategic planning, business innovation, and organizational development are comprehensively enhanced.

During the Reporting Year, the total hours of management and leadership development training for the Group amounted to approximately 66,394 hours, with 4,697 employees participating. In addition, all potential successors identified through evaluation during the Reporting Year participated in relevant training.

Case

Taitai Pharmaceutical Middle and Senior Management Training

During the Reporting Year, Taitai Pharmaceutical provided in-depth training for middle and senior management focusing on regulations, team building, and lean management, with annual training reaching 120 credit hours and covering over 500 participants, successfully leading to the promotion of 2 attendees. For frontline management teams, through weekly high-frequency topical training, core practical capabilities in pharmaceutical production such as GMP compliance and deviation management (CAPA) were continuously strengthened, effectively enhancing the professional leadership and compliance execution capability of teams at all levels, and laying a solid talent foundation for the organization's excellent operations and sustainable development.

Taitai Pharmaceutical Middle and Senior Management Training

Case

Xinxiang Haibin Leadership Training

In April 2025, Xinxiang Haibin held a dedicated seminar on "Team Leadership and Execution Enhancement". The program targeted practical management challenges in strategy implementation, adopting a case-study discussion model to provide 6 credit hours of intensive enablement to 47 managers, focusing on forging their core capabilities of team coordination and efficient execution, injecting core momentum for the organization's long-term resilience.

Xinxiang Haibin Leadership Training

University-Enterprise Cooperative Training

To practice the strategy of "strengthening the enterprise through talent", during the Reporting Year the Group continued to deepen the integration of industry and education, actively building a diversified external cooperation training system. Through establishing strategic partnerships with universities, vocational colleges, and national institutions, we have built a multi-faceted enablement platform covering specialist skills, compliance management, safe production, and teamwork, providing employees with cutting-edge subject information and systematically enhancing employees' overall competencies and vocational skills, laying a solid talent foundation for the Group's sustainable development.

Case

Group University-Enterprise Cooperative Projects

- **Taitai Pharmaceutical:** Taitai Pharmaceutical jointly established an industry academy with partner universities, incorporating core skills such as Good Manufacturing Practice (GMP) into customised teaching systems and conducting targeted employee training. Training focuses on practical needs of production positions, strengthening the precise alignment of skills with positions. During the Reporting Year, a cumulative total of over 1,500 frontline production employees were trained, effectively enhancing the position competency of frontline employees and consolidating the standardised operations foundation of the production stage.
- **Haibin Pharma:** Haibin Pharma actively participated in dedicated advanced study training organised by the National Advanced Study Academy of NMPA, the Chinese Pharmacopoeia Commission, and other units, covering cutting-edge industry topics including but not limited to pharmacopoeia interpretation and pharmaceutical overseas expansion. Training focuses on key position work needs, helping training participants strengthen compliance knowledge and international business knowledge, and enhancing the compliance management capability and international business expansion capability of key position teams.
- **Jiaozuo Joincare:** Jiaozuo Joincare, in partnership with a professional organization, conducted a Red Cross first aid responder system training, providing emergency rescue skills teaching to corporate safety management personnel. During the Reporting Year, 40 safety management personnel were organised to participate in training; all participants passed assessments and obtained certification, effectively enhancing the Group's emergency response capability for sudden safety incidents.

Support for Degree Programs and Certifications

The Group has always supported lifelong learning and career development for all employees, formulating and implementing the *Management Regulations for In-Service Academic Advancement Education for Employees*, covering all employees (including full-time, part-time, and contractors), encouraging employees to obtain degrees, professional qualifications, and national titles suited to their positions. Through diverse initiatives such as skills certification support and title application guidance, the Group continuously improves the employee career development support system to help employees enhance their capabilities and achieve long-term growth.

Case

Enterprise Independent Vocational Skills Grade Assessment

Jiaozuo Joincare actively responded to national guidance for building a skilled talent workforce, and in accordance with national vocational skills standards, systematically built a closed-loop vocational skills development system encompassing "precise assessment, targeted enhancement, and authoritative certification". During the Reporting Year, 60 senior worker grade assessments were completed, covering 5 fitters, 1 instrument maintenance worker, 18 electricians, and 36 chemical inspectors.

6.2.3 Compensation and Employee Benefits

The Group strictly complies with laws and regulations related to remuneration and benefits and continuously improves and implements internal systems and policies such as the *Salary Management System* and the *Performance Management System*. It also continues to refine its performance evaluation and feedback mechanisms. In determining and adjusting compensation, the Group takes into comprehensive consideration job value, employees' capabilities and performance, while appropriately referencing the cost of living of employees and their families as well as relevant external benchmarks, so as to continuously enhance the reasonableness of its remuneration protection and provide employees with remuneration and benefits that are both fair and market-competitive (for details, please refer to the "Benefits System" section of this chapter). We adhere to the remuneration management philosophy of "the consistency between responsibility and benefit, the consistency between ability and value, and the consistency between performance and earnings", implementing a remuneration structure consisting of fixed income and variable income for all employees (including employees in non-management positions and non-sales positions), where variable income is linked to individual performance and Group performance, to fully leverage employees' initiative and genuinely demonstrate the motivational effectiveness of remuneration.

Performance Appraisals and Feedback Process

The Group adheres to the principle of "performance-oriented, with attention to growth", continuously optimizing a scientific and fair performance management system, deeply aligning with sustainability goals, and exploring diversified appraisal pathways in combination with business characteristics to drive synergistic development of the organization and individuals. Individual performance appraisals are primarily led by Key Performance Indicators (KPIs), supplemented by methods such as Objectives and Key Results (OKRs) and 360-degree feedback, with appraisal dimensions covering core areas such as performance achievement, effectiveness of AI tool application, work attitude, and personal learning and development. Team performance appraisals customize standards based on each department's functional attributes and business priorities, conducting quantitative assessments of key performance outcomes such as progress of technology innovation projects, number of clinical and production approvals obtained, and annual sales. Core ESG indicators such as energy conservation and emission reduction and occupational health and safety are systematically incorporated into the appraisal scope, focusing primarily on management and relevant functional departments, with plans to progressively increase indicator weightings year by year to strengthen their guiding effect. In addition, we actively explore AI-assisted appraisal models, using precise data tracking and objective analysis to provide support for performance evaluation, further improving the scientific rigour and impartiality of appraisal results.

We conduct performance appraisals twice a year, covering all Group employees, building a cascading transmission system of "organizational goals – team goals – individual goals", ensuring that individual performance is closely linked to team and organizational goals by breaking down team goals into individual goals. In terms of the feedback mechanism, we further strengthen the developmental function of performance management, establishing a normalized performance communication and feedback mechanism that requires team leaders to regularly conduct one-on-one performance coaching interviews with employees, tracking the progress of goal advancement throughout the process, accurately feeding back performance appraisal results, and collaborating with employees to formulate personalized improvement plans, effectively driving continuous improvement of individual and organizational capabilities and providing solid support for the Group's long-term value creation.

Long-Term Incentive Mechanisms

Joincare has actively established a long-term Business Partner Shareholding Plan based on the principle of "shared benefits, shared risks," aiming to drive core management and technical teams to transition from "managers" to "partners." The Company has consecutively implemented three phases of the shareholding plan, with the fund scale steadily increasing from RMB 31.0382 million to RMB 115 million, cumulatively covering over 160 core talents across the entire value chain including R&D, manufacturing, sales, and management.

This incentive system is deeply tied to long-term strategic performance. The extraction of incentive funds rigorously references the compound annual growth rate (CAGR) of net profit attributable to shareholders during the 2019–2028 assessment period. No allocation will be made if the growth rate falls below 15% or if quarter-on-quarter performance declines, ensuring that incentive amounts are commensurate with the Company's actual value growth. Furthermore, the plan incorporates strict risk constraint mechanisms, including clawback provisions for violations of laws, regulations, or actions detrimental to the Company's interests. Through the dual management approach of "positive incentives and reverse constraints," organizational resilience and governance effectiveness are strengthened.

Benefits System

To continuously improve employee wellbeing, we continuously optimize the employee benefits system, ensuring employees enjoy all statutory holidays and making contributions for all employees to pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds. At the same time, we provide all eligible employees with paid prenatal leave, including maternity leave of no less than 14 weeks, paternity leave, nursing leave, and other leaves, with leave duration and arrangements strictly in compliance with national and local relevant policies.

We have built an employee benefits system encompassing three pillars of health support, family and personal support, and work-life balance, providing all employees (including full-time, part-time, and contract workers) with a wide range of non-cash material benefits including occupational health check-ups, transportation subsidies, welfare accommodation, and gym facilities. At the same time, based on employee needs, flexible working arrangements such as remote working are implemented to provide more options for employees who genuinely need them. During the Reporting Year, the Group systematically added and improved multiple employee benefits guided by the principle of inclusion and tailored employee care, including providing female employees with comprehensive support through diversified health and wellness benefits, health lectures, and festival gifts; providing lactation rooms and other facilities for nursing employees, offering a private and comfortable nursing space; opening dedicated food counters in the canteen to respect the dietary habits of ethnic minority employees; and actively developing suitable positions and assisting employees with disabilities in accessing government subsidy policies. At the same time, we comprehensively upgraded the employee commercial insurance plan, enhancing the level of accident and medical protection and building a more resilient employee care and risk protection system. By the end of the Reporting Period, the total remuneration paid by the Group to all employees including wages, bonuses, allowances, subsidies, welfare expenses, housing provident fund, and social insurance premiums was RMB 2,502.89 million.

Table: Joincare Employee Benefits System

Health support	Annual health checkups for employees	Health check-ups for females	Accident insurance
	Occupational health check-ups	Psychological counselling	Heatstroke prevention allowance
Family and personal support	Employee canteen	Living allowance for talents introduced	Gifts for traditional holidays
	Dormitories	Support for advanced studies under master's and doctoral programs	Cash gifts for birthday, wedding and maternity
	Government-run talent apartments	Commuter allowance	Funeral and retirement allowances
	Housing subsidies for talents		
Work-life balance	Gym	Team building	Associations
	Breakout/refreshment areas	Annual parties	Library

Cafes

Free Gym Access

Activity Parks

Women's Day Activities

Employee Birthday Parties

Ethnic Minority Activities

6.3 Occupational Health and Safety

The Group adheres to the safety management policy of "safety first, prevention first, integrated management", actively advocates a people-centered safety philosophy, and strictly complies with laws and regulations related to occupational health and safety such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. Referencing the requirements of the ISO 45001 occupational health and safety management system, we continuously improve and strictly enforce internal systems and policies such as the *Occupational Health and Safety Management System*, the *Risk Classification Management* and *Hidden Danger Investigation and Management System*, and the *Accident and Incident Reporting and Investigation Management System*, using these systems as a framework to systematically advance the precise identification, classified management, and dynamic investigation of potential hazard factors in the production process, setting quantitative occupational health and safety targets each year and relying on closed-loop system management to continuously track progress, genuinely safeguarding employee health and safety.

At the same time, we continue to increase investment in occupational health and safety, advancing technical improvements to safe production and upgrades to safety production equipment, and actively carrying out safety training, emergency drills, and other activities. Each subsidiary further strengthens the construction of dual preventive mechanisms for risk classification management and hidden danger investigation and governance, using information technology to achieve "self-identification and self-control" of risks and "self-investigation and self-correction" of hidden dangers, organizing Hazard and Operability (HAZOP) studies, safety status assessments, and occupational disease hazard factor testing, improving safe operating procedures and the company-wide safety responsibility system, implementing safety performance assessments, and driving the continuous and effective operation of the occupational health and safety management system.

Overview of the Group' s Occupational Health and Safety Action Plans Prioritisation and Integration in 2025

- **Fire safety Target:** No production accidents of any kind, including general work safety accidents
- **Occupational Health Target:** No new cases of occupational disease
- **Lean Management Targets:** Continue EHS system building, complete annual internal and external audits and management reviews; improve the emergency system and carry out emergency drills as planned; conduct induction safety education and training for all newly onboarded employees, and conduct dedicated safety training for specific employees

We conduct annual EHS system internal audits, external audits, and management reviews; each production subsidiary also carries out related audit work as planned, continuously improving the EHS management system and ensuring that prevention and management measures for safety, occupational health, fire prevention, and other areas during production operations are effectively implemented.

EHS Internal Audit

Document Review	On-site Audits	New, reconstruction and expansion projects review
We review EHS-related documents and ledgers and supervise the performance of EHS targets.	We check potential hazards in production sites, and verify whether on-site safety controls are effective, and safe protective equipment are in place to reduce potential accidents.	We propose suggestions for new, reconstruction and expansion projects from the perspective of EHS to improve safety management throughout each project.

The Group's EHS Management Committee serves as the highest decision-making body for EHS management, comprising Group directors and senior executives, production heads, and EHS heads, and is responsible for formulating the Group's overall EHS development plan and occupational health and safety policy. The General Managers of Joincare and each subsidiary serve as the primary responsible persons for EHS work, responsible for supervising and advancing the implementation of EHS management. During the Reporting Year, the Group's prioritization and integration of occupational health and safety management work is as follows:

Overview of the Group's Occupational Health and Safety Action Plans Prioritization and Integration in 2025

- Formulate annual work safety targets and work plans;
- Increase safety investment, especially in automated facilities, to strengthen safety foundations;
- Implement the company-wide work safety responsibility system;
- Improve the emergency system and conduct emergency drills;
- Improve safety publicity and education efforts, enhancing employees' work safety awareness;
- Continuously advance EHS management system construction, improve management systems, and ensure compliant project production;
- Strengthen risk management, standardize special operations management, and strictly enforce operations approval;
- Strengthen contractor safety management — all contractors sign safety management agreements — to enhance the safety management level for external construction.

We continue to increase investment in occupational health and safety, advancing technical improvements to safe production and upgrades to safety production equipment, and actively carrying out safety training, emergency drills, and other activities. During the Reporting Year, the Group invested a total of RMB51.28 million in occupational health and safety, with 100% of employees covered by work-related injury insurance. The breakdown of expenditure is as follows:

Breakdown of occupational health and safety expenses

Work safety expenses
RMB ***44.119*** million

of which:
Expenses of safety training and education
RMB ***1.2579*** million

Expenses of safety emergency drills
RMB ***2.3983*** million

Occupational health expenses
RMB ***7.1631*** million

Total expense of employees' work injury insurance
RMB ***6.5585*** million

6.3.1 Occupational Health

The Group continuously improves and strictly enforces management systems including the *Occupational Health Management System and Operating Procedures*, the *Workplace Occupational Disease Hazard Factor Monitoring and Assessment System*, and the *Hazard Source Identification and Assessment Management Procedure*, making every effort to avoid occupational health risks during work and production processes, and actively carrying out external certification work. During the Reporting Year, Joincare and all its production subsidiaries passed the GB/T45001-2020/ISO45001:2018 occupational health and safety management system certification.

During the Reporting Year, we continued to optimize the employee occupational health protection system, setting up dedicated funds for purposes such as improving the work environment, occupational health monitoring, and procurement of personal labor protection equipment, and regularly maintaining safety protection facilities to ensure they can be deployed at any time. Building on this, we further strengthened full-process occupational health management, coordinating each subsidiary in conducting annual workplace occupational disease hazard factor testing and online reporting, organizing health check-ups for all employees and dedicated health check-ups for positions with occupational disease hazards, improving occupational health monitoring records and occupational health management systems, incorporating occupational health training into the annual company-wide safety training plan, and establishing emergency response plans and drill mechanisms for occupational disease hazard accidents, strengthening occupational health protection for employees. During the Reporting Period, the Group recorded no new occupational disease or suspected occupational disease cases.

Joincare Occupational Health and Safety Protection Measures

Occupational hazards check-ups

- Healthier and more harmless processes, equipment, materials, etc. are preferred to minimise the impact of hazards on employees.
- We engage qualified service providers to carry out regular testing for potential occupational health hazard factors; conduct occupational disease hazard evaluation in accordance with the *Regulations on the Management of Occupational Health in the Workplace*.

Occupational health monitoring

We arrange regular occupational health examinations for employees in positions exposed to occupational disease hazards:

- Pre-job examination: We organise pre-job occupational health examination for employees who are about to engage in operations exposed to occupational hazards and operations with special health requirements.
- On-job examination: We organise regular on-job occupational health examination for employees who are exposed to occupational hazards.
- After-job examination: Employees are required to undergo health examination before they change posts or leave current posts that are exposed to occupational hazards.

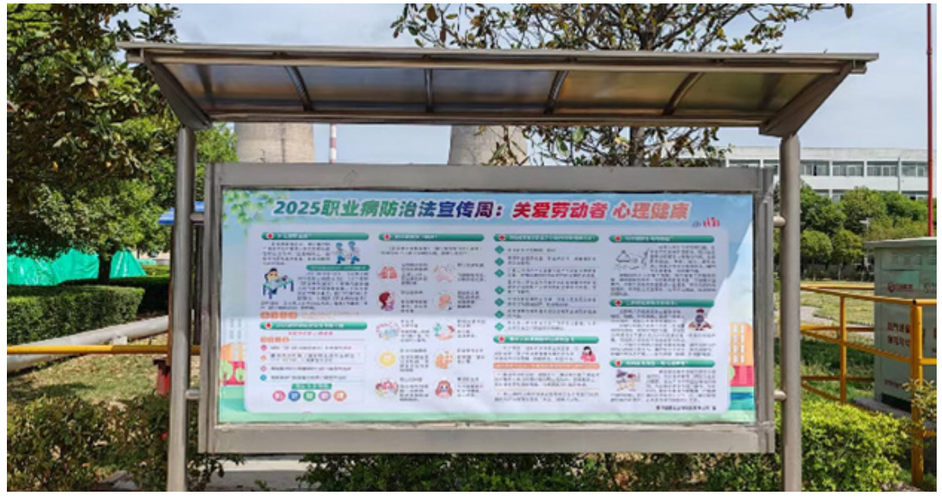
Safeguarding occupational health of special posts

- We equip employees exposed to occupational hazards with labor protection articles and first aid supplies.
- We set up warning signs in places where occupational disease hazards may be involved.
- We maintain, overhaul and upgrade protective facilities against occupational diseases.

Case

Jiaozuo Joincare *Occupational Disease Prevention Law* Awareness Week Activity

From April to May 2025, Jiaozuo Joincare held an *Occupational Disease Prevention Law* Awareness Week activity themed "Caring for Workers' Mental Health", strengthening employees' self-protection awareness and the implementation of the enterprise's principal responsibilities through approaches such as regulatory dissemination and workplace hazard knowledge lectures. We also used this opportunity to complete full-coverage monitoring at 172 workplace occupational hazard monitoring points, with all results meeting exposure limit requirements; testing results were publicized in prominent locations in each workshop, followed by online reporting and approval from the competent authority. In addition, by revising operating procedures for occupational disease hazard positions and implementing engineering control measures for hazard factors such as dust, toxic substances, and noise, a full-chain occupational health management model of "publicity – testing – health check-ups – protection" was built.



Occupational Disease Prevention Law Awareness Week Activity

Case

Taitai Pharmaceutical: Precise Position Hazard Prevention and Equipment Upgrade Noise Reduction Renovation

During the Reporting Year, Taitai Pharmaceutical focused on precise occupational health protection for employees, strictly implementing pre-employment occupational hazard notification and dedicated training for new employees to ensure they master position hazard prevention and control key points before starting work. Annual occupational hazard factor periodic testing and website reporting were completed as required, and health check-ups were organised for employees in positions with hazard factor exposure, with comprehensive employee health files established. To address the problem of noise exceeding standards caused by ageing roof fans in production workshops, a dedicated upgrade and renovation project was implemented; after renovation, equipment noise was reduced by approximately 15 decibels, significantly improving the operating environment and effectively reducing noise-related health hazards to employees, achieving synergistic advancement of occupational health protection and production equipment optimisation.

Precise Position Hazard Prevention and Equipment Upgrade Noise Reduction Renovation

Case

Xinxiang Haibin Institutionalized Occupational Health Management and Full-Cycle File Management

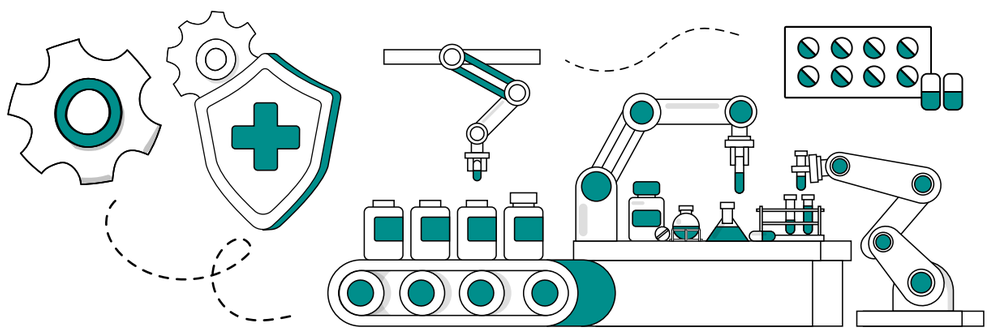
During the Reporting Year, Xinxiang Haibin advanced occupational health management with "system implementation + full-cycle management" as the core, strengthening daily protection supervision through establishing a comprehensive reward-penalty linkage mechanism and adding gate access control systems that require employees to wear hard hats for recognition before entering production areas, using rigid constraints to encourage employees to form good protection habits. At the basic management level, a third-party organization was invited to complete the annual company-wide occupational disease hazard factor testing; all testing indicators met national occupational exposure limit requirements, and annual updates and improvements to occupational health monitoring files for all employees were simultaneously completed, achieving full-cycle closed-loop management of "daily supervision – professional testing – file traceability" to provide continuous protection for employees' occupational health.

6.3.2 Production Safety

The Group adheres to the work safety policy of "safety awareness, legal compliance and continuous improvement", implementing core systems such as the *Operation Assessment System for Dual Prevention Systems* and the *Special Operations Safety Management System* to consolidate the work safety management framework. Through annual routine safety risk identification and assessment, we dynamically update risk management lists, strengthen the three-level management mechanism at the company level, workshop level, and position level, organize annual updates to the dual prevention system, clarify responsibilities at each level, and build a company-wide work safety responsibility system. During the Reporting Year, we strengthened the full-process management of operations safety, strictly enforcing the approval process for eight categories of special operations including hot work and lifting, and implementing full-cycle management requirements. At the same time, we established a multi-dimensional hidden danger investigation and governance system, routinely conducting various safety inspections, introducing information technology tools to build a closed-loop management platform and improve rectification quality and efficiency. We implemented monthly/quarterly quantitative safety performance assessments, linking core indicators to departmental and management personnel performance, and implementing accountability.

Level 1 Major Changes	Level 2 Process Changes	Level 3 Workshop Changes
Changed by external experts	Changed by external experts upon an evolution of subsidiaries' EHS Team	An EHS Change Assessment Team has been established to evaluate relevant workshops or departments

At the same time, we advanced safety culture building and capability enhancement, carrying out dedicated activities such as "Work Safety Month" and "Fire Prevention Month", implementing a tiered safety education and training plan, achieving full certification coverage for special operations personnel, with employee training hours far exceeding national standards. During the Reporting Year, some of the Group's subsidiaries introduced third-party safety consulting, carried out professional work such as HAZOP analysis, and improved emergency training materials and extreme weather prevention and control measures, ensuring safety and compliance across the entire production process. During the Reporting Period, the Group successfully completed all annual occupational health and safety target indicators, with no production accidents of any kind including general work safety accidents, achieving the target of "zero safety accidents" and providing a solid guarantee for the Group's normal production and business operations.



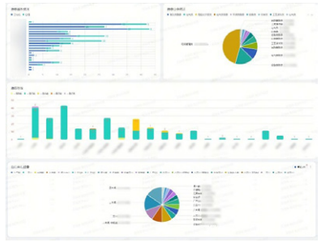
Safety Inspections

During the Reporting Year, the Group and each subsidiary continuously improved the safety inspection system, building a three-level coordinated inspection network of "company – workshop – team", routinely conducting multiple types of inspections including daily patrols, monthly/quarterly inspections, hazardous chemicals dedicated inspections, special equipment dedicated inspections, seasonal inspections, and holiday dedicated inspections, while also introducing external expert in-depth diagnostics and proactively cooperating with government department external inspections, forming an internal-external linkage risk investigation mechanism. During inspections, we rely on information technology tools such as "WeAnQuan" and Feishu multi-dimensional tables to achieve full-process automated tracking of hidden danger investigation and rectification, strictly enforcing the "five fixed principles" for closed-loop management. Throughout 2025, Joincare and its subsidiaries cumulatively conducted 1,142 safety inspections, investigating a total of 8,953 various safety hidden dangers, achieving a 100% rectification rate for overdue items, with all non-overdue hidden dangers subject to effective protection measures and control. At the same time, we continue to increase safety investment, advancing the upgrading of technical protection measures to ensure the continued stability of the work safety situation.

Case

Xinxiang Haibin AI-Enabled Safety Inspections

During the Reporting Year, Xinxiang Haibin innovatively introduced AI technology to assist in hidden danger investigation and in-depth analysis, building a high-frequency, multi-dimensional safety inspection network. Using AI enablement to carry out various inspections, safety hidden dangers were investigated, and a 100% on-time rectification rate was achieved. The company actively promoted the coordination of internal and external supervision, proactively cooperating with government inspections and using external specialist resources to identify and rectify hidden dangers, significantly improving the systematicity, foresight, and efficiency of safety management.



Xinxiang Haibin AI-Enabled Safety Inspections

Emergency Plans and Drills

Joincare and its subsidiaries continuously optimize emergency plans for sudden safety accidents and contractor safety accidents, covering scenarios including comprehensive emergencies, dedicated emergencies, and on-site handling, and continuously optimize the emergency management system while maintaining routine upkeep of plans, ensuring emergency management compliance and control. In 2025, the Group and its subsidiaries conducted 155 various emergency drills, covering key scenarios such as fires, hazardous chemical leaks, electric shocks, and emergency evacuations, with a cumulative total of 3,720 person-participations, and further optimized plans and emergency handling processes based on drill results. At the same time, subsidiaries have also established multi-category emergency materials reserve systems and regularly conduct inventory checks and maintenance to ensure emergency response capability.

Case

Haibin Pharma Hazardous Chemical Leak and Fire Comprehensive Emergency Drill

During the Reporting Year, Haibin Pharma organized a comprehensive emergency drill for hazardous chemical leaks and fires, with the key person-in-charge of the company serving as the overall commander. The drill covered all key process stages including hazardous chemical leak handling, response to escalating emergencies, firefighting, hazardous chemical transfer, personnel evacuation and security, medical rescue, and accident wastewater environmental collection. During the drill, multiple emergency equipment items were activated including mobile foam vehicles, foam fire hydrants, leak-proof absorption blankets, and portable gas detectors. Through high-specification, full-process practical drills, emergency team members further familiarized themselves with emergency handling processes and emergency equipment use, significantly enhancing the team's coordinated emergency response capability.

Hazardous Chemical Leak and Fire Comprehensive Emergency Drill

Case

Xinxiang Haibin Fire Rescue and Evacuation Comprehensive Emergency Drill

In June 2025, Xinxiang Haibin organized a comprehensive emergency drill for fire rescue and evacuation in the sterile workshop recovery area, with the company's General Manager serving as the overall commander and 11 professional emergency rescue teams participating in the drill. This drill simulated the scenario of an explosion fire caused by acetone vapor flash ignition from a membrane system leak in the workshop's solvent recovery area, covering all key process stages including on-site initial handling, activation of the company-level emergency plan, firefighting reinforcement, casualty rescue, zoned personnel evacuation, multi-level on-site security, equipment emergency repair, fire water management, and environmental monitoring. Multiple emergency equipment items including fire trucks, mobile foam vehicles, gas detectors, and chemical protective suits were activated during the drill; each team coordinated closely and operated in a standardized manner. Through full-process practical drills, the emergency team's rapid response and coordinated handling capabilities were effectively strengthened, comprehensively enhancing the company's overall emergency response level for hazardous chemical fire accidents.

Fire Rescue and Evacuation Comprehensive Emergency Drill

Safety Culture Cultivation

The Group strictly complies with relevant national laws and regulations, formulating annual training plans in accordance with emergency management department requirements. During the Reporting Year, key training initiatives included three-level safety induction training for new employees, dedicated special operations training, dual prevention system training, and hazardous chemical safety management training, along with standardized pre-entry safety training for construction contractors, covering core content such as company safety systems, risk notification, and protection measures. Digital training approaches were introduced, with some subsidiaries launching EHS training mini programs for tiered assessment. As at the end of the Reporting Period, total EHS training hours amounted to 43,490 hours, with average training hours per employee of 12.5 hours, successfully completing the target of "Safety orientation for all new employees and specialized safety training for specific employees."

In 2025, the Group and each subsidiary conducted Safety Month activities closely aligned with the theme "Everyone Talks Safety, Everyone Masters Emergency Response — Finding Safety Hazards Around You," comprehensively enhancing employee safety awareness and promoting safety culture building through diverse approaches including themed publicity and education, safety knowledge competitions, hidden danger investigation and governance, emergency drills, and safety skills competitions.

Case

Taitai Pharmaceutical Specialized Safety Training on Special Operations Standards

In August 2025, Taitai Pharmaceutical organised dedicated safety training on special operations standards, with 19 participants covering department heads and key position operators. The training closely focused on high-risk special operations stages such as hot work operations, temporary power use, and work at heights, systematically interpreting key updates to the latest safety management systems and technical standards, conducting in-depth analysis combined with typical industry accident cases, and simultaneously incorporating on-site practical guidance, with a focus on strengthening key content such as operations approval processes, risk identification, safety protection, and emergency handling. Through a combination of theoretical instruction and accident case warnings, participants further consolidated their awareness of safety red lines and mastered core requirements for risk prevention and control, effectively enhancing the level of standardised operation for special operations. The training comprehensively strengthened management personnel's safety performance capability and employees' on-site safety execution, genuinely building the company's work safety defence line and providing solid assurance for the continued safe and stable operation of the company's production and business.

Dedicated Safety Training on Special Operations Standards

Case

Xinxiang Haibin Safety Month and Digital EHS Training

During the Reporting Year, Xinxiang Haibin launched an EHS training mini-program, issuing 12 tiered assessment tasks monthly, achieving precise training and assessment of employees and management levels. During Safety Month, the company used this mini-program to organize knowledge competitions, improving training engagement and participation through on-site timed answering to advance to finals, and on-site final competition formats, and simultaneously carried out activities such as inter-departmental mutual hidden danger inspections and fire skills competitions, effectively consolidating the safety management foundation.

Xinxiang Haibin Safety Month and Digital EHS Training

Case

Joincare Haibin: Breaking the Shadow of Drugs, Holding the Bottom Line — Special Training on Safe Management of Drug Precursor Chemicals

In June 2025, Joincare Haibin specially invited a police officer from the public security bureau to deliver a lecture, conducting specialized safety management training on drug precursor chemicals, with personnel from positions involved in managing and using drug precursor chemicals participating. Through case analysis and regulatory interpretation, participants systematically mastered drug identification skills and key points of enterprise drug control management, clarifying the boundaries of position-level drug prevention responsibilities. The training adopted a "using cases to explain the law" format, enhancing the impact of warning education and facilitating the shift of employees from "passive awareness" to "proactive prevention". Interactive Q&A sessions resolved difficulties in actual enterprise management, laying a cognitive foundation for building a "drug-free enterprise" defense line. This further strengthened the full-process safety management capability for drug precursor chemicals, providing strong assurance for consolidating the defense line for work safety and drug control compliance.

Joincare Haibin Special Training on Safe Management of Drug Precursor Chemicals

PART 07

Access to Healthcare

Joincare places great emphasis on the accessibility and affordability of pharmaceutical products and health services, steadily advancing its internationalization strategy, working to improve healthcare standards in low- and middle-income countries and regions, and continuously fulfilling its corporate social responsibilities, contributing to the advancement of global health equity and sustainable development.

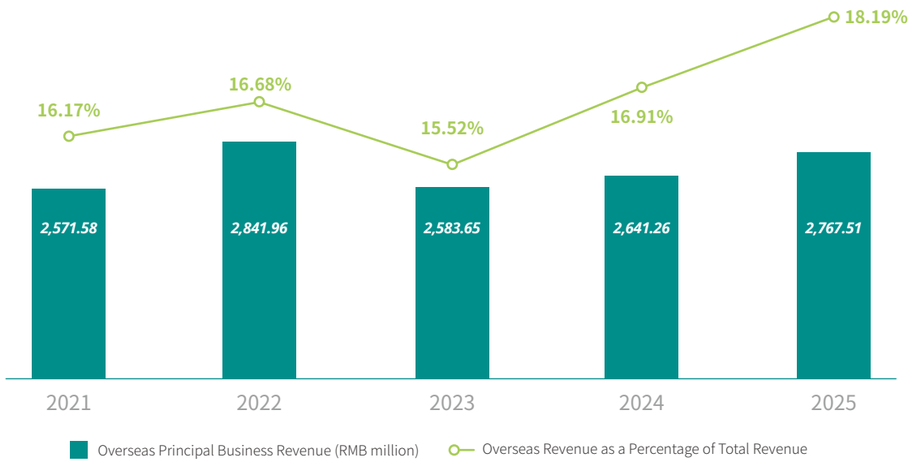
The Board of Directors of Joincare, as the highest governing body for Access to Healthcare issues, is responsible for understanding and monitoring the management of the Group's Access to Healthcare issues through the Sustainability Committee. The Sustainability Committee is responsible for regularly reviewing the Group's strategies, policies and performance on Access to Healthcare issues, overseeing and reporting the progress to the Board of Directors, and urging the Group to improve access to healthcare.

SDGs in this section

7.1 Improving Product Accessibility

The Group is committed to improving medicine accessibility, aiming to benefit more patients globally with safe and effective products. We actively expand our overseas presence in vaccine, patented drugs, generic drugs, API, diagnostic reagent, and device manufacturing and sales, broadening channels through direct operations and authorising local distributors, and have completed product registration in key pharmaceutical markets and emerging markets across multiple countries and regions in Asia, Europe, North America, Africa, and elsewhere. In 2025, the Group's overseas primary business revenue was 2,767.51 million yuan.

2021-2025 Overseas Principal Business Revenue of Joincare and Its Percentage of Total Revenue



Advancing the Internationalization Strategy

The Group continues to advance its internationalization strategy, deepening its global footprint through multi-dimensional initiatives and actively fulfilling its social responsibility with respect to global health accessibility. We actively introduce overseas innovative products and have successfully introduced drugs including Pixavir Marboxil Capsules, PREP inhibitors, and potassium-competitive acid blockers (P-CABs) as innovative drugs in the gastrointestinal field, enriching the product pipeline in our advantageous fields of respiratory and gastrointestinal health. We also pay special attention to medicine accessibility in low- and middle-income countries, and are committed to advancing the technology licensing and overseas expansion of high-end complex formulations so that high-quality medicines can benefit a broader patient population, fulfilling our responsibility for global health equity.

At the same time, the Group continuously strengthens cooperation with international partners, actively expanding partnerships with multinational pharmaceutical enterprises, leveraging their networks to accelerate overseas market coverage, and continuously advancing the out-licensing of innovative products, with the aim of achieving broader clinical value and international cooperation outcomes, thereby playing a more active and sustainable role in the global pharmaceutical industry chain.

Accelerating Overseas Business Development

Joincare pays close attention to overseas markets and accelerates overseas business development. We continuously advance access, product registration, and promotion of inhalation formulations, assisted reproduction, gastrointestinal, and anti-infective products overseas. Multiple inhalation formulation products of the Group are preparing for registration filing in developing countries such as Malaysia and the Philippines, as well as EU member states including the Netherlands, Germany, and Italy; the two flagship products of Budesonide Suspension for Inhalation and Levosalbutamol Hydrochloride Nebuliser Solution together completed 6 batches of export to the Macao region.

Furthermore, the API segment of Livzon Group, a controlling subsidiary of the Group, has obtained a total of 34 international certification certificates, while the formulations segment has obtained 2 international certification certificates. Multiple products have been launched in overseas markets, with the Group's emerging market footprint spanning more than 50 countries. The Group has also obtained a GMP certificate issued by Malaysia's National Pharmaceutical Regulatory Agency (NPRA) under the Pharmaceutical Inspection Co-operation Scheme (PIC/S). In terms of industrial chain integration, the Group has fully leveraged the strategic advantage of its "API-to-formulation integration" model to expand its business footprint while strengthening the global layout and integration capabilities of its core supply chain. The Group is steadily advancing the construction of an API manufacturing facility in Indonesia in collaboration with leading Southeast Asian pharmaceutical enterprise PT KALBE FARMA, TBK., with products expected to be marketed to Europe and the Americas while also serving the Southeast Asian market, thereby further enhancing the global accessibility of the Group's high-quality products. In addition, Livzon Group proposes to acquire more than 60% of the equity interest in Imexpharm Corporation (IMP), a Vietnamese listed company, which will help improve the Group's responsiveness and product accessibility in the Southeast Asian market.

Case

Joincare Inhalation Formulations Accelerate Southeast Asian Market Expansion

In November 2025, Joincare Haibin's inhalation suspension (hormonal) and inhalation solution production lines passed the PIC/S GMP compliance inspection by Malaysia's NPRA and successfully obtained a GMP certificate, marking that the Group's production and quality management system meets international standards. This helps advance the registration and commercial launch of the Group's inhalation formulation products in Malaysia and other PIC/S member countries, laying a solid foundation for expanding into the Southeast Asian market.

At the same time, the company reached a deep cooperation agreement with PT KALBE FARMA, a major Southeast Asian pharmaceutical enterprise, with PT KALBE FARMA responsible for the registration and promotion of budesonide inhalation suspension in the Indonesian market, accelerating the benefits of high-quality medicines for Southeast Asian patients.

7.2 Improving Product Affordability

Joincare is deeply aware that pharmaceutical costs are an important component of the economic burden of disease. Both domestically and across different countries, we adopt fair pricing policies based on product affordability to provide reasonably priced, high-quality medicines to more people in need, committed to reducing patients' economic burden.

Domestic Market

Actively Responding to National Centralized Drug Procurement

The Group deeply recognizes that the national centralized drug procurement policy presents both an opportunity to fulfil social responsibility and a new opportunity for the Group's own development. Leveraging our strong R&D capabilities and production capacity, we have included many of our products in centralized drug procurement applications, transforming policy opportunities into practical benefits for the public and development momentum. While helping the country control healthcare costs and improve the efficiency of medical insurance fund utilization, we have significantly reduced patients' medication costs and improved medicine accessibility. Through the centralized drug procurement channels, the Group has further expanded market coverage and the population served, continuously injecting vitality into the advancement of healthcare.

Key Products Won Under National Centralized Drug Procurement

Product Name	Batch of the Procurement
Budesonide Inhalation Suspension	The 5th Batch
Compound Ipratropium Bromide Inhalation Solution	The 5th Batch
Ipratropium Bromide Inhalation Solution	The 5th Batch
Tinidazole Tablets	The 5th Batch
Meropenem for Injection	The 7th Batch
Terbutaline Sulphate Nebulisation Solution	The 7th Batch
Voriconazole for Injection	The 8th Batch
Cefodizime Sodium for Injection	The 8th Batch
Levalbuterol Hydrochloride Nebulisation Solution	The 9th Batch
Formoterol Inhalation Solution	The 11th Batch
Fluvoxamine Maleate Tablets	The 11th Batch

Admission to the National Reimbursement Drug List

In 2025, Joincare had a total of 218 products included in the new edition of the National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drug Catalogue (the "National Reimbursement Drug List ") released by the National Healthcare Security Administration, comprising 94 Class A products and 124 Class B products. For products included in the National Reimbursement Drug List, we strictly comply with requirements by publicly listing the medical insurance reimbursement standards on the pharmaceutical pricing enquiry platforms of local medical insurance bureaus, ensuring that drug pricing is reasonable and transparent.

Key Products in National Reimbursement Drug List	Medical Insurance Reimbursement Standard
Tobramycin Inhalation Solution (健可妥 ®): As a modified innovative medicine developed independently by Joincare, 健可妥 ® is the only approved inhalation formulation in the world for the treatment of bronchiectasis accompanied with pseudomonas aeruginosa infection. It was approved for marketing in October 2022, breaking the dilemma that no atomised antibiotics are available for patients with bronchiectasis in China. As a key item under the National Key New Drug Creation Program, 健可妥 ® offers the benefits of low-dose local administration, high concentration, non-ototoxicity and non-nephrotoxicity, and low medicine resistance. It is safer for both childhood and elderly patients and represents a significant breakthrough in the field of respiratory system diseases.	**RMB253.60 (5ml:300mg/piece)**
Ilaprazole Sodium for Injection (壹丽安 ®): 壹丽安 ®, a patented new drug of Joincare's controlling subsidiary Livzon Group, was incorporated into the NRDL in 2019. In 2023, 壹丽安 ® was once again included in the NRDL as a drug used for patients with peptic ulcer bleeding, and it also received approval for a new indication "prevention of severe stress-induced ulcer bleeding," which expands the application range of the product, meets clinical needs, and further alleviates the economic burden on patients.	**RMB52.60 (10mg/piece)**
Triptorelin Acetate Microspheres for Injection (维宝宁 ®): It is a modified new drug developed by Livzon Microsphere, a subsidiary of Joincare and was approved for marketing in May 2023. It is indicated for the treatment of locally advanced or metastatic prostate cancer and endometriosis (Stage I to IV). Compared with the Triptorelin Acetate Injection, 维宝宁 ® offers significant advantages such as a longer duration of action and fewer doses required. The medical insurance reimbursement is RMB 1,000 per bottle, representing a price reduction of approximately 20% compared to the imported formulations already on the market.	**RMB1,000.00 (3.75mg/bottle)**
Aripiprazole Microsphere for Injection (阿丽唯 ®): 阿丽唯 ®, an improved new drug developed by Livzon Microsphere, a subsidiary of Joincare, was approved for launch in May 2025, indicated for the treatment of schizophrenia in adults. 阿丽唯 ® has successfully broken the import monopoly, offering significant economic advantages compared to the market weighted price of long-acting paliperidone injectable formulations, with the per-unit price reduced from RMB 2,200 to RMB 850, a reduction of over 61%, and currently has the lowest medical insurance standard among similar drugs.	**RMB850.00 (350mg/piece)**

Overseas Markets

When developing and expanding overseas markets, the Group has taken into account local economic development and healthcare levels as well as the pricing of comparable products, in order to set reasonable prices in line with regional development conditions and avoid adding to patients' economic burden. We fully assess per capita income levels in each region, analyze the affordability of local patients, and on this basis implement differentiated tiered pricing strategies across different markets. At the same time, during the promotion of products in developing countries overseas, we actively participate in local government tenders, committed to providing affordable medicines and services locally.

Livzon Group, a controlling subsidiary of Joincare, consistently applies fair pricing policies based on product affordability and is committed to improving pricing transparency for its products in both developed and emerging markets. For formulation products, Livzon Group strictly follows local government pharmaceutical pricing policies in developing countries; the generic drugs sold are typically priced at 60%–70% of originator drugs. For API products, Livzon Group reduces intermediate channels by selling directly to formulation manufacturers, gaining accurate knowledge of terminal customer procurement prices, thereby improving pricing transparency while reducing local drug supply costs.

Livzon Group Pricing Policies and Implementation by Business Segment

Business	Pricing policies	Pricing
APIs	• Continuously reduce the production costs of APIs. Sell APIs and intermediates in emerging markets/ developing countries at prices lower than those in developed countries to reduce the medication costs for the target market countries. • Adhere to the principle of fair pricing for both domestic and overseas markets. For domestic strategic partners, by signing an annual supply agreement, certain price discounts will be given according to the purchase quantity.	• Carry out commercial cooperation with about more than 50 customers in India, supplying 20 kinds of APIs and intermediates. Among them, the selling price of intermediates is approximately 5%-10% lower than that in developed countries, and the selling price of APIs is about 20%-30% lower than that in developed countries. • Implement differentiated pricing strategies for certain premium antibiotic segments. For certain premium antibiotic product lines, a differentiated pricing strategy has been implemented, with prices in non-regulated markets for certain products being 23%–40% lower than those in regulated markets.
Formulations	• Formulate reasonable prices that are in line with the local development level, and provide formulated drugs in the markets of Asia, Africa, and Latin America, which are cheaper than the on-patent formulations and can achieve similar therapeutic effects.	• For regions such as South Asia, Southeast Asia, Eastern Europe, Central Asia, South America, and Africa, price policies for formulated drugs that are cheaper than the on-patent formulations and can achieve similar therapeutic effects have been provided or formulated.
Reagents	• Conduct thorough research on the terminal selling prices of products, and formulate more preferential product prices in less developed countries and low-income countries.	• Actively inquire about the prices of multiple transportation companies, seek freight services with the best quotations, and provide customers with transportation methods that are low in cost and high in cost-effectiveness.

7.3 Improving Healthcare Standards

Against the backdrop of growing global healthcare demand, problems of uneven distribution of medical resources and imbalanced technological development remain prominent, particularly in many developing countries where patients still struggle to access timely, effective, and affordable medical services. Facing this global challenge, Joincare actively leverages its professional expertise in the pharmaceutical and health field, committed to promoting improvements in public health. We continuously strengthen public health awareness through practical actions such as disseminating knowledge on chronic disease prevention and advocating the rational use of antibiotics; at the same time, we proactively participate in and support healthcare capacity building programs in developing countries, contributing solid strength to advancing global health equity and sustainability.

7.3.1 Involvement in Capacity Advancement Initiatives

Joincare closely follows the development of healthcare in low- and middle-income countries and, based on the Group's internationalization strategy, actively participates in healthcare service capacity advancement programs in low- and middle-income countries, working hand in hand with local partners to help low- and middle-income countries improve their healthcare service levels.

Providing Training for Local Healthcare Workers

While steadily expanding the formulation market in developing countries, the Group has always regarded improving local medical capabilities as an important responsibility. We export high-quality medicines such as Meropenem for Injection to the Philippines, Ukraine, Vietnam, Pakistan, Peru, Chile, and other countries, and systematically carry out product registration, clinical promotion, and safe use training, assisting partners in conducting in-depth instruction and hands-on guidance for local healthcare workers. In addition, Livzon Group, a controlling subsidiary of Joincare, actively organizes overseas academic exchanges and training activities, sharing product clinical application experience and practical skills with healthcare workers in developing countries, helping local medical personnel improve their professional competency and thereby ensuring that medicines can safely and effectively benefit more patients, genuinely supporting the continuous improvement of local healthcare service systems.

Case

Livzon Group Provides Academic Training for Indonesian Healthcare Workers

During the Reporting Year, Livzon Group, in partnership with local Indonesian partners, systematically advanced product awareness and standardized clinical application of Ilaprazole Sodium for Injection. Through a combination of online and offline approaches, Livzon Group conducted over 20 professional training sessions at major city hospitals in Jakarta, Bandung, Surabaya, and Semarang, covering the drug's clinical characteristics, therapeutic advantages, and standardized operations, cumulatively reaching over 1,000 local doctors and nurses. Through a series of professional training and enablement activities, Livzon Group effectively improved local healthcare workers' level of awareness and application capability regarding innovative treatment approaches, not only laying a solid clinical foundation for the product's differentiated positioning and long-term development in Indonesia's premium hospital market, but also genuinely enhancing local diagnostic and treatment capabilities for gastrointestinal diseases from the perspective of medical capacity building, enabling more patients to benefit from standardized and advanced treatment approaches.

Helping Improve Local Production Capabilities

As an important supplier of APIs, Joincare and its controlling subsidiary Livzon Group continuously work to advance production capacity building and technology sharing in less developed countries and regions overseas, assisting in improving the manufacturing capabilities of local producers so that they meet applicable international pharmaceutical manufacturing standards. By investing in and building an API factory in Indonesia with introduction of advanced production equipment and management experience, this effectively drives systematic upgrades in local production processes and technology applications, not only enhancing local producers' capability to supply high-quality APIs but also supporting downstream pharmaceutical enterprises in producing more competitive drugs, thereby gradually improving regional medicine accessibility to better meet local residents' medical needs.

Case

Joincare Establishes a Joint Venture Factory in Jakarta

PT Livzon Pharma Indonesia is a strategic joint venture between PT KALBE FARMA, TBK. (Kalbe) and Livzon Group, a controlling subsidiary of Joincare. Since its establishment in July 2024, it has actively carried out production operations in Indonesia, committed to comprehensively enhancing the development level of Indonesia's pharmaceutical industry through localized API production. The joint venture strictly adheres to global sustainable development principles, paying attention to responsible procurement and environmental management during the production process, and actively participating in community activities, taking concrete action to improve healthcare services and quality for the Indonesian people.

The company draws on its own technical expertise, deeply integrated with Kalbe's extensive market knowledge accumulated in Indonesia, providing strong support for the joint venture's development. In terms of production standards, PT Livzon Pharma Indonesia is built in accordance with GMP standards, providing a solid guarantee for producing high-quality drugs. As localized supply is progressively realized, the establishment of the joint venture is expected to reduce local production costs, improve market response speed, and effectively reduce Indonesia's dependence on imported drugs. In addition, the joint venture promotes local technology transfer and the enhancement of R&D capabilities, and by introducing advanced technology and concepts, ultimately achieves the goal of raising the level of local pharmaceutical production, helping Indonesia's pharmaceutical industry move to a higher level.

Case

Livzon Group Enhances Antibiotic Accessibility in Emerging Markets Through High-Quality API Supply

In many emerging markets and developing countries, the supply of high-end antibiotics has long depended on imported expensive sterile APIs from Europe, directly driving up end-user drug prices and potentially affecting supply stability. Livzon Group attaches great importance to this situation and has established a high-end antibiotic sterile API lyophilization production line that meets international high standards. During the Reporting Year, the Company secured initial orders from customers in South America. By providing high-quality and more cost-competitive APIs, Livzon assists local partners in reducing production costs, thereby improving the affordability and accessibility of critical antibiotics in these regions.

Case

Livzon Group Conducts Localized Production Cooperation in Bangladesh

Joincare's subsidiary Livzon Group conducts localized production cooperation in Bangladesh through technology transfer, contributing to the enhancement of local pharmaceutical manufacturing capabilities and improving drug accessibility. In response to the long-standing reliance on imports and treatment gaps in the local reproductive health sector, Livzon Group officially signed a cooperation agreement in 2024 with a leading local reproductive health company in Bangladesh to initiate localized production of Recombinant Human Chorionic Gonadotropin for Injection. Centered on technology transfer, this cooperation drives the transition of this drug from import dependence to local self-sufficiency. It is expected to fill treatment gaps in Bangladesh's reproductive health sector, directly benefiting over 3 million patients. Through supply chain localization, the initiative will reduce drug prices and enhance the accessibility and affordability of high-quality biologics in the region.

Supporting Local Pharmacovigilance

Pharmacovigilance efforts in developing countries have started relatively late and progress has been slow, facing a series of issues requiring urgent resolution. Joincare's Tobramycin Inhalation Solution is currently advancing drug registration work in the Philippines. Since the commencement of registration, we have jointly established a communication mechanism and working system for both parties' pharmacovigilance teams with local pharmacovigilance personnel, carrying out monitoring, identification, assessment, and prevention activities for adverse reactions and other potential drug-related issues following product launch, to ensure the scientific and rational clinical use of this product after launch in the Philippines, safeguard clinical medication safety, improve patients' physical condition, and enhance patients' quality of life. At the same time, we use agents to research and monitor the overseas use of regulated medicines, provide business training to local staff, regularly receive adverse event reports, and assist in improving the local pharmacovigilance system for these medicines.

7.3.2 Addressing Antibiotic Resistance

Antibiotic resistance has become one of the major global public health risks, posing serious threats to human health. Joincare deeply recognizes the challenges and issues of antibiotic resistance, and primarily takes measures from the following three aspects to address it:

- **Responsible production:** During the production of antibiotics, we strictly control the discharge of wastewater, waste gas and waste residue to prevent antibiotics from entering the natural environment. We also refine the production process to improve the production efficiency of antibiotics and reduce waste generation.
- **Responsible use:** We place great emphasis on the rational clinical use of antibiotics, and strictly comply with the *Management Policy for Clinical Use of Antimicrobial Medicines*, Joincare strictly regulates the clinical use of antibiotics and strengthens the management of its anti-infection product portfolio. Based on the classification of antibiotics for clinical use, we actively cooperate with medical institutions to handle antibiotic abuse, enforce the principles of "non-limited use", "limited use", and "special use", and promote the management of physicians' prescription rights and control of medicine-resistance bacteria. Training lessons and lectures on optimizing medicine-resistance bacteria treatment schemes are given to improve the clinical efficacy of antibiotics and effectively prevent misuse.
- **Responsible R&D:** We continue to carry out R&D to limit or prevent antibiotic resistance, explore the mechanism of resistance through cooperation with third parties, and study new ways of drug administration by taking the advantage of fewer dosage of inhalation formulations to ensure reasonable drug administration. Meanwhile, we are conducting post-marketing studies on Tobramycin Inhalation Solution, which shows a low risk of resistance based on its resistance indicators in Phase III clinical trial.

During the Reporting Year, we advanced antibiotic resistance research through a combination of "internal R&D breakthroughs + external resource collaboration", progressively building a mature and diversified anti-resistance drug pipeline to fill gaps in the relevant field, providing innovative solutions to the global antibiotic resistance challenge.

Case

Joincare Novel Beta-Lactamase Inhibitor Injection Advances Infection Treatment

During the Reporting Year, the novel beta-lactamase inhibitor injection that we are fully developing — China's first and the world's only formulation for use in combination with meropenem — has entered Phase I clinical trials. Meropenem, as a representative carbapenem antibiotic, is widely regarded as "one of the last lines of antibiotic defense" due to its highly efficient and broad-spectrum antibacterial properties. However, bacteria have developed resistance to it through mechanisms such as producing beta-lactamases, reducing its efficacy. The novel beta-lactamase inhibitor injection developed by Joincare can precisely inhibit the enzyme activity of resistant bacteria, effectively restoring antibiotic efficacy, and through the injection format with localized action, significantly reduces the risk of systemic side effects from traditional systemic administration (such as gastrointestinal discomfort and allergic reactions), providing patients with safer and more effective treatment options.

Case

Joincare and Partners Jointly Accelerate Development and Commercialisation of Novel Polymyxin (BRII-693)

BRII-693 is an investigational novel synthetic lipopeptide for treating critically ill patients with multi-drug resistant and extensively drug-resistant (MDR/XDR) Gram-negative bacterial infections, particularly infections caused by carbapenem-resistant Acinetobacter baumannii (CRAB), Pseudomonas aeruginosa (CRPA), and Enterobacteriaceae (CRE). BRII-693 was developed through iterative structural modifications to the polymyxin scaffold, designed to enhance antibacterial potency while reducing the toxic effects commonly associated with older polymyxin formulations, such as nephrotoxicity and neurotoxicity. During the Reporting Year, we signed an intellectual property licensing and technology transfer agreement with Brii Biosciences, obtaining exclusive rights to research, develop, and commercialize BRII-693 in Greater China, jointly providing critical care medicines for Chinese patients facing life-threatening infections.

7.3.3 Popularizing Health Knowledge

Respiratory diseases are China's third most prevalent chronic disease category after cardiovascular diseases and diabetes. In recent years, the incidence of respiratory diseases such as asthma and chronic obstructive pulmonary disease (COPD) has continued to rise domestically. Epidemiological surveys show that adult asthma patients in China have reached 45.7 million, child asthma patients 15 million, and the COPD patient population exceeds 100 million. We actively respond to the requirements of the "Healthy China 2030" strategy, systematically building an online and offline respiratory disease health education network. Through diverse approaches such as new media health live streams, publishing authoritative academic content, supporting cutting-edge clinical research, and organizing professional academic activities, we effectively improve public awareness of chronic diseases such as asthma and COPD, promote early lung function screening for high-risk populations, and take practical action to support the achievement of national respiratory disease prevention and control goals.

Case

"Respiratory Experts' Views" Series Public Interest Activities

Joincare focuses on respiratory diseases and carries out the "Respiratory Experts' Views" series of public interest activities, building a health awareness-oriented new media platform. Through new media channels such as WeChat Official Account, Douyin, and Weibo, the platform invites well-known experts and scholars from top-tier hospitals to serve as speakers, providing the general public with a chronic respiratory disease health awareness education platform and authoritative disease information platform.

During the Reporting Year, as part of the "Respiratory Experts' Views" series of public interest projects, we held diverse popular science activities during World COPD Day, World Asthma Day, and Bronchiectasis Day, cumulatively conducting over 500 activities. Reaching deep into communities, healthcare institutions, and public venues, and through approaches such as expert free clinics, patient education, and interactive experiences, we brought disease prevention and control knowledge to the public, effectively improving public awareness of respiratory diseases and self-management capabilities, demonstrating the enterprise's sense of responsibility as a "guardian of respiratory health" through public interest practice, and injecting powerful momentum into the building of social consensus for "early screening and treatment, scientific lung protection".

- During "World Asthma Day" 2025, "Respiratory Experts' Views" focused on "Extending the Benefits of Inhalation Treatment to All Asthma Patients", conducting a series of health awareness lectures and health awareness live streams in over 200 cities across the country, spreading asthma health management and first aid knowledge through interactive activities such as health awareness Q&A, reaching millions of members of the public.
- During "World Bronchiectasis Day" 2025, "Respiratory Experts' Views" partnered with 247 top-tier hospitals across the country to conduct health awareness activities, providing detailed introductions to the pathogenesis, diagnostic methods, and latest treatment advances for bronchiectasis.
- During "World COPD Day" 2025, "Respiratory Experts' Views" participated in the "2025 World COPD Day health awareness Conference" jointly organized by the Guangzhou National Laboratory and the Guangdong Society for Respiratory Health, inviting multiple authoritative respiratory experts to discuss key topics including popularization of lung function testing, optimization of COPD diagnosis and treatment, innovation in non-pharmacological treatment, and winter protection.

As at the end of the Reporting Period, we had conducted over 300 "Respiratory Experts' Views" health awareness live streams, covering over 230 top-tier hospitals in 26 provinces across the country, with over 360 experts from departments including respiratory medicine, critical care, infectious diseases, surgery, geriatrics, and tuberculosis invited to participate. At the same time, in partnership with both doctors and patients, we advanced the establishment of respiratory disease patient communities, jointly building over 100 patient communities covering over 20,000 patients, with over 30 top-tier hospitals across the country deeply participating in co-management, initially forming a collaborative management model of "patient mutual assistance, medical staff guidance, and brand empowerment", genuinely improving patients' self-health management capabilities.

"Respiratory Experts' Views" Series Public Interest Activities

Case

Joincare Participates in Nanshan Popular Science Conference

During the Reporting Year, Joincare was invited to participate in the Nanshan Popular Science Conference themed "Healthy Bay Area, Intelligently Empowering the Future". The conference was jointly organized by the Guangzhou National Laboratory and the Guangdong Society for Respiratory Health, and hosted by institutions including the National Center for Respiratory Medicine. It brought together cutting-edge scientific research and medical resources in the field, popularizing knowledge on respiratory disease prevention and treatment through approaches including academician and expert sharing, scenario-based experiences, and interactive workshops, improving public health awareness and self-health management capabilities.

Nanshan Popular Science Conference

In addition, we also focus on daily health management topics such as oral health, wellness, and women's health, continuously conducting public interest popular science activities. Through new media channels such as Douyin, Weibo, and WeChat, we carry out expert popular science live streams and organize public interest lectures, increasing the appeal and broad reach of health knowledge popularization, committed to spreading health knowledge and enhancing public health awareness.

Case

"World Oral Health Day" Health Awareness Activity

On 20 March 2025, the 19th World Oral Health Day, we invited six experienced domestic dental doctors to form a popular science team, systematically delivering oral health knowledge through vivid and easy-to-understand video explanations and graphic analyses, precisely reaching over 20 million oral health audiences. We pay great attention to the spectrum from alleviating immediate oral pain to conveying long-term health concepts, and will continue to respond to the oral health public interest appeal in future, enabling more Chinese people to be free from oral problems and realize the vision of "healthy mouth, healthy mind and body".

Case

"Pigmentation Removal Experts' Views" Health Awareness Program

In May 2025, we partnered with multiple experts from Beijing Tongren Hospital Affiliated to Capital Medical University and Hangzhou First People's Hospital to participate in the "Pigmentation Removal Experts' Views" popular science program initiated by Xinhua Net, providing in-depth explanations on how to scientifically remove chloasma, offering women effective pigmentation removal knowledge from a professional perspective. The total views of this activity's videos exceeded 860,000, successfully advancing health awareness on chloasma issues and promoting the concept of internal regulation in Traditional Chinese Medicine.

"Pigmentation Removal Experts' Views" Health Awareness Program

Case

"Menopause Experts' Views" Health Awareness Program

In May 2025, we partnered with multiple well-known national experts and scholars in gynecology, endocrinology, psychology, nutrition, and exercise rehabilitation to conduct Health Awareness live streams on WeChat Official Account, video accounts, Douyin, Xiaohongshu, and other platforms, engaging in in-depth discussions on physical and mental health during menopause and Traditional Chinese Medicine conditioning approaches, with cumulative views exceeding 2 million, effectively providing women with scientific and effective menopause health maintenance knowledge and psychological regulation methods.

"Menopause Experts' Views" Health Awareness Program

7.4 Promoting Industry Development

Joincare is committed to being a pioneer in the health industry, actively participating in industry association exchange and cooperation activities, jointly exploring cutting-edge industry technologies and trends, and working together to promote the sustainable development of the industry.

Joincare's Participation in Associations

No.	Associations
1	Guangdong Pharmaceutical Profession Association
2	Guangdong Bio-Pharmaceutical Innovation Technology Association
3	Shenzhen Biomedical Industry Alliance
4	Shenzhen Life Science and Biotechnology Association
5	China Pharmaceutical Industry Association
6	Professional Committee of Drug Manufacturing Quality Authorised Person of Guangdong Pharmaceutical Association
7	China Nutrition and Health Food Association
8	China Health Care Association
9	Guangdong Food Safety Society
10	Guangdong IP Protection Association
11	Guangdong Forensic Science Association
12	Shenzhen Forensic Science Association
13	Shenzhen Biomedical Industry and Education Alliance

The Group continues to deepen industry exchange and academic development in the fields of respiratory medicine and critical care. Throughout the year, we participated in 9 key domestic academic conferences, including the Chinese Medical Association Annual Conference on Respiratory Diseases, the Chinese Medical Association Annual Conference on Respiratory Critical Care, and the China Medical Education Association Chronic Airways Conference, as well as 2 international conferences including the World Bronchiectasis Conference and the European Respiratory Annual Conference. Centered on cutting-edge topics such as the application of inhaled antibiotics, advances in influenza diagnosis and treatment, and bronchiectasis management, we conducted multi-level exchanges with domestic and overseas experts and clinicians, systematically introducing the Group's products and latest R&D advances.

Livzon Group, a controlling subsidiary of Joincare, actively builds a multi-party collaborative professional exchange platform and carries out systematic medical capacity building projects, extending the benefits of scientific advances and standardized treatment to a broader population. For example, in international academic exchange, Livzon Group supported the "NCCN China-International Dialogue" online high-level academic conference, inviting authoritative international experts and leading domestic center experts to engage in in-depth dialogue, achieving "two-way empowerment" between China and overseas academia, promoting the formation of consensus on localized NCCN guideline practice and the clinical standardization process. In domestic academic promotion, Livzon Group co-hosted a special symposium at the 28th CSCO Annual Conference, focusing on the scientific advances in domestic GnRH agonist microspheres passing the consistency evaluation, strengthening clinical confidence in high-quality domestic drugs and providing professional support for improving the accessibility of affordable treatment options. In overseas medical capacity building, Livzon Group, in partnership with local Indonesian partners, conducted over 20 professional training sessions in major cities including Jakarta and Bandung through a combination of online and offline approaches, cumulatively reaching over 1,000 local healthcare workers, genuinely improving local diagnostic and treatment capabilities for gastrointestinal diseases and enabling more patients to benefit from standardized and advanced treatment approaches.

7.5 Rural Revitalization

Joincare actively responds to the national call, continuously advancing rural revitalization and focusing on two main themes of chronic disease prevention and treatment and industrial revitalization. We routinely conduct drug donations for chronic disease prevention and treatment, and leverage our own industrial advantages to invest in industrial assistance to support the sustainability of rural economies, drive agricultural modernization and farmers' income growth, and stimulate the endogenous development momentum of rural areas.

Chronic Disease Prevention and Treatment

To help achieve the national rural revitalization and common prosperity strategy, Joincare, together with its controlling subsidiary Livzon Group, continuously advances a long-term drug donation program — the "Access to Public Welfare for Chronic Diseases Prevention and Treatment Program"— providing long-term assistance to economically disadvantaged patients in remote areas suffering from chronic diseases such as hypertension, hyperlipidemia, cardiovascular and cerebrovascular diseases, and gastric diseases. Through donating five types of chronic disease treatment drugs — including pravastatin sodium capsules, amlodipine besylate capsules, valsartan capsules, isosorbide mononitrate tablets, and bismuth potassium citrate tablets/granules — we take concrete action to alleviate the economic burden on low-income families from long-term medication for chronic diseases, preventing patients from "falling into poverty due to illness or returning to poverty due to illness."

From the end of 2018 to the present, we have successfully carried out the "Access to Public Welfare for Chronic Diseases Prevention and Treatment Program" in areas including Chaotian District of Guangyuan City in Sichuan Province, Songpan County in Ngawa Tibetan and Qiang Autonomous Prefecture, Jinganghe District of Leshan City, Jiange County, Pingwu County, and Tongjing County; Hunyuan County, Guangling County, Lingqiu County, Fangshan County, and Shilou County of Datong City in Shanxi Province; Dongxiang County, Tianzhu County, Linze County, Shandan County, Huining County, Sunan County, Suzhou District, and Weiyuan County in Gansu Province; Xianghai National Nature Reserve in Jilin Province; Macun District and Hua County of Jiaozuo City in Henan Province; Huangshan District of Huangshan City in Anhui Province; Suining County in Hunan Province; Fenyi County in Jiangxi Province; Jiangshan City in Zhejiang Province; Rongjiang County in Guizhou Province; Neiqiu County in Hebei Province; Xianfeng County in Hubei Province; Chayu County, Bomi County, Gaize County, and Nyingchi City in the Tibet Autonomous Region; Kashgar City in Xinjiang Uyghur Autonomous Region; Balinzuo Banner and Togtoh County in Inner Mongolia; and Ziyuan County in Guangxi Zhuang Autonomous Region, among other areas. We take practical action to extend health benefits to the public, protect the health of rural residents, and use the strength of the enterprise to revitalize beautiful rural areas and build a beautiful and healthy China.

As of the end of the Reporting Period, the project has covered 37 remote areas requiring assistance across 12 provinces and 4 autonomous regions nationwide, helping 48,234 low-income chronic disease patients. In 2025, we donated chronic disease treatment medications to patients in need in the following areas: Rong'jiang County, Guizhou Province; Neiqiu County, Hebei Province; Linzhi City, Tibet Autonomous Region; Fangshan County, Shanxi Province; Shilou County, Shanxi Province; Shandan County, Gansu Province; Xianfeng County, Hubei Province; Tongjiang County, Sichuan Province; Hua County, Henan Province; Suzhou District, Gansu Province; and Weiyuan County, Gansu Province.

Donation Ceremony

Industry-based Assistance

We fully leverage our own industrial resources and professional expertise, deeply integrating industrial assistance into the rural revitalization strategy to help support rural economic development in a sustainable manner. Livzon Group, a controlling subsidiary of Joincare, focuses on the traditional Chinese medicine (TCM) material industry, driving the construction of standardized local bases and fulfilling corporate assistance responsibilities. Relying on the "company + supplier + planting cooperative/large-scale planter" co-construction base model, Livzon Group continues to advance standardized planting of TCM materials. To date, more than 16,000 mu of various standardized planting bases have been newly built or jointly built, covering 217 mu of forsythia and 30 mu of rehmannia demonstration planting bases in the authentic production areas of Linfen, Shanxi, as well as 3 isatis root bases (totalling 9,600 mu), 3 rehmannia bases (totalling 850 mu), 3 sweet flag bases (totalling 2,100 mu), and completion of base layouts for multiple varieties including agastache, turmeric, anemarrhena, and saposhnikovia.

Through the above base construction, Livzon Group attracts local farmers to participate in planting through land leasing, labor employment, and order-based procurement, driving the transformation of traditional farmers into industrial workers and building stable income channels, while jointly building standardized origin washing and processing workshops in Hunan, Hubei, Sichuan, and other regions, unifying processing standards and building a complete "planting-processing" industrial chain, helping to improve rural industries' ability to capture value and withstand risks. In addition, Livzon Group relieves the pressure of wild medicinal material harvesting through large-scale and standardized artificial planting, building a virtuous cycle of wild resource protection and rural industrial development, achieving multiple shared wins of farmer income growth, rural industry strengthening, and ecological protection.

7.6 Social Contributions

We adhere to the corporate culture of "Caring and Helping People, Pragmatic Public Welfare," continuously building long-term mechanisms and encouraging employees to actively participate in volunteer services, carrying out diverse volunteer service work such as community support and blood donation, genuinely fulfilling social responsibilities and conveying humanistic care and warmth.

Community Welfare

In May 2025, we established a normalized school-enterprise docking mechanism with a local primary school, organizing employee volunteers to invite primary school students to visit and experience the enterprise, driving precise alignment of the Group's resources with community education needs, building a platform for community-enterprise co-construction practice, genuinely fulfilling corporate social responsibility, and enhancing the public interest influence in the local community.

In June 2025, we organized ethnic minority employees of the Group to participate in activities including the "Ethnic Integration, Heart in Heart — Mutual Inclusion" Community Work Building Exhibition and the "Celebrating the 15th National Games, Ethnic Unity as One Family" Walking Event, allowing employees to experience the charm of diverse cultures through shared participation and enjoyment, effectively forging a strong sense of community of the Chinese nation and consolidating the powerful centripetal force of ethnic unity.

Volunteer Activities

In September 2025, the Group actively organized employees to carry out voluntary blood donation public interest activities. Employees enthusiastically participated and contributed their love, practicing social responsibility through concrete action, effectively conveying the enterprise's positive energy and promoting the civilized custom of selfless dedication and caring for society, demonstrating the enterprise's sense of responsibility and humanistic care.

Emergency Donations

In November 2025, a Grade 5 fire broke out at Wang Fuk Court in Tai Po, Hong Kong, drawing widespread concern from all sectors of society. Joincare and its controlling subsidiary Livzon Group responded with urgency and deep concern, jointly donating a total of HKD 20 million to the Hong Kong Red Cross to support emergency relief, transitional resettlement, and post-disaster reconstruction for affected residents, standing side by side with the people of Hong Kong in overcoming this difficult time.

PART 08 Green Operations

Joincare has always held firm to its green development mission, using compliance with environmental regulatory requirements as the fundamental baseline, and penetrating green low-carbon concepts into every aspect of operations management. We actively promote clean energy substitution, practice low-carbon operations, strengthen resource conservation, and strictly control pollutant and waste emissions, comprehensively improving the level of refined environmental management within the enterprise, and contributing to the harmonious coexistence of humans and nature and the building of a green ecological development model.

SDGs in this section

8.1 Environmental Compliance Management

Joincare strictly complies with laws and regulations related to environmental protection such as the *Ecological and Environmental Code of the People's Republic of China, Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and the *Water Law of the People's Republic of China* and actively promotes the construction of internal environmental management systems.

We have formulated the *EHS Management Policy* to standardize management requirements for the Group and all its subsidiaries in key areas such as "three wastes" (wastewater, exhaust gas, and solid waste), energy, chemicals, and water resources, continuously improving our environmental management practices. We have issued and continuously updated core management systems including the *Safety and Environmental Management Manual*, *General Requirements for the EHS Management System*, and *Requirements for Identification and Assessment of Environmental Factors*, building a full-process environmental management system and enhancing the operational effectiveness of the Group's environmental management system. At the same time, through conducting environmental incident risk assessments, establishing risk prevention management mechanisms, and improving emergency response plans for sudden environmental incidents, we have comprehensively built the environmental safety defense line. In 2025, no major environmental pollution incidents occurred across Joincare's production subsidiaries, and no environmental administrative penalty events occurred.

In the area of environmental pollution prevention, the Group has formulated and implements the "Three Simultaneities" policy, requiring each production subsidiary to ensure that pollution prevention and control facilities for construction projects are designed, constructed, and commissioned simultaneously with the main project. We have established a full lifecycle management mechanism for pollution treatment facilities, regularly conducting facility inspections, maintenance, and calibration to ensure stable and compliant facility operations. We continue to increase investment in environmental protection technology upgrades, advancing the upgrading of pollution treatment facilities and the clean renovation of production processes to improve pollutant emission reduction efficiency. In addition, we regularly conduct dedicated training for all employees on topics such as energy consumption reduction, efficient water resource utilization, and waste reduction and resource recovery, guiding employees to optimize energy and water resource utilization efficiency and improve energy management and standardized waste management performance.

In terms of environmental management system building, the Group proactively advances environmental management system and Green Factory certification to drive the implementation of environmental management work. As at the end of the Reporting Period, the Group headquarters and all production subsidiaries have passed the ISO 14001 environmental management system certification, with a 100% certification rate. In addition, among all the Group's production enterprises, 6 have obtained "National Green Factory" certification, 1 has obtained "Provincial Green Factory" certification, and 6 have conducted HAZOP (Hazard and Operability) analyses for their higher-risk production lines.

2025 Joincare Environmental Protection Investment Expenditure

Expenditure Category	Amount (RMB10,000)
Environmental protection equipment and technology upgrade investment	**2,966.6**
Environmental protection operations and maintenance investment	**9,200.6**

8.1.1 Policy and Targets

Joincare adheres to the environmental management policy of "pollution prevention, legal compliance and continuous Improvement". This year, based on an evaluation of the completion of its energy conservation and emissions reduction targets for the period 2021–2025, and taking into comprehensive consideration factors including its own business development, industry trends, and the external environment, Joincare has updated its environmental performance assessment criteria, using 2025 as the base year to set energy conservation and emissions reduction targets for 2030. We require all production subsidiaries to implement refined management of energy and natural resources, embedding the philosophy of energy conservation and emissions reduction into every aspect of production and operations, so as to collectively drive the achievement of these targets.

Joincare Energy Conservation and Emission Reduction Targets

Indicator	Final Target by 2030
Comprehensive energy consumption per unit production (RMB10,000)	**Down 5% from 2025**
Water consumption per unit production (RMB10,000)	**Down 5% from 2025**
Air pollutant emission per unit production (RMB10,000)	**Down 8% from 2025**
Disposal volume of non-hazardous waste per unit production (RMB10,000)	**Down 5% from 2025**

To continuously improve the enterprise's environmental management level and performance, the Group has established annual environmental compliance targets, supervising each production subsidiary's compliant discharge from four dimensions: wastewater and exhaust gas discharge compliance, hazardous waste compliant disposal rate, occurrence of major environmental pollution incidents, and environmental penalties during the year.

Targets of environmental compliance in the operation of Joincare in 2025

Indicator	Annual Targets	Achievements
Compliant rate of wastewater and exhaust gas emissions	100%	**Achieved**
Compliant hazardous waste disposal	100%	**Achieved**
Number of major pollution accidents	0	**Achieved**
Number of environmental penalties in the year	0	**Achieved**

8.1.2 Management Structure

To enhance the EHS management level, Joincare continuously improves the EHS management structure to define responsibilities and ensure their performance according to the *EHS Management Policy*. As the highest responsible body, the Sustainability Committee of the Board of Directors is responsible for formulating EHS-related strategies and policies, such as those on environmental management and resource utilization, regularly reviewing the Group's performance in environmental management performance, and reporting EHS issues to the Board of Directors.

EHS Management Structure

The Sustainability Committee of the Board of Directors is responsible for formulating EHS-related strategies & policies and reporting the relevant issues to the Board of Directors.	**Sustainability Committee of the Board of Directors**
The EHS Management Committee coordinates the overall EHS management of the Group	**EHS Management Committee**
The EHS Department of the Group supervises and manages the implementation of EHS work in each production subsidiary	**EHS Department of the Group**
• Each Functional Department of the Group is responsible for its own EHS work • Each production subsidiary of the Group is responsible for its own EHS work and reports to the Group regularly	**Functional Departments of the Group** / **Production subsidiaries of the Group**

Production subsidiaries of the Group have also developed a standardized EHS management system. As the first responsible person for EHS, the general manager is in charge of the overall environmental protection work; as the directly responsible persons, supervisors or department managers are in charge of the preparation of EHS initiatives, filing to the EHS Department of the Group, and supervision of the implementation of specific initiatives; and the employees of the subsidiaries cooperate with the Group's EHS policies and their EHS responsible persons in EHS management.

Joincare actively fulfils the responsibilities of carbon emission reduction management. The EHS Department is responsible for setting carbon emission reduction targets for the Group and its subsidiaries, reporting them to the Sustainability Committee of the Board of Directors for approval, and following up on the quarterly achievement of the Group's carbon emission targets. The general manager of each subsidiary, as the first person in charge of carbon emission, is responsible for scheduling carbon emission targets based on the actual situation of the company, working out effective carbon emission reduction measures, designating relevant responsible persons, and reporting the target achievement to the EHS Department of the Group on a quarterly basis. ESG indicators have been added to the individual performance assessment of all executive-level Sustainability Committee members since 1 January 2022, with a weight of 10% in the total performance system. ESG indicators and their weights are as follows:

Weight of ESG indicators in the assessment of executive-level Sustainability Committee

Energy conservation and emission reduction targets	Carbon emission targets	ESG rating objectives	Total weight of ESG indicators
3%	3%	4%	10%

8.1.3 EHS Audits

Internal Audit

Joincare strictly implements internal audit procedures in accordance with the *Group EHS Internal Audit Management Procedure*, to make sure that its EHS management is effective. At the beginning of the year, the EHS Department of the Group works with the audit team on an annual internal audit plan based on vulnerabilities found in past internal audits and corrective actions taken by subsidiaries. The EHS Department conducts EHS audits on all subsidiaries at least twice a year, and makes timely summaries and prepares internal audit reports of subsidiaries after the audit. Subsequently, the EHS Department urges the rectification of unqualified items by the subsidiaries, compiles a group audit report every six months and submits them to the management for review. Corresponding production subsidiaries shall rectify unqualified items found in the internal audit under the guidance of the *Management Regulations on Corrective and Preventive Measures*. In 2025, the Group headquarters and its subsidiaries conducted a total of 34 EHS internal audits; all non-conformances identified in EHS internal audits throughout the year have been rectified, with a 100% rectification completion rate.

Each of the Group's production subsidiaries proactively fulfils their principal environmental safety responsibilities, regularly conducting self-inspection and self-correction work, with a focus on verifying the stability of pollutant treatment equipment, disposal methods for solid waste, and execution of emergency drills. Any non-conformances identified during verification are immediately rectified, strictly ensuring EHS execution compliance and building the grassroots defense line for the effective operation of the Group's EHS management system.

External Audit

Joincare conducts an EHS external audit annually and engages qualified third-party certification agencies to audit and supervise production subsidiaries that have obtained ISO 14001, ISO 45001 and ISO 50001 certifications. During the course, we carry out energy audit, waste audit and water use assessment, continuously identify opportunities for improving energy performance, water efficiency and waste performance, and strengthen management requirements of all kinds. Besides, we review the energy use within the ISO systems. Based on the evaluation of energy use and energy consumption, Joincare identifies the overall energy use by category. We refine the management of facilities and equipment with a huge impact on this front, identify and prioritize opportunities for better energy performance, and devise targeted improvement measures. In 2025, all non-conformances identified during the audit process have been rectified and successfully passed the external audit.

8.2 Addressing Climate Change

Climate change is a serious challenge facing all humanity, which will have significant impacts on external stakeholders of enterprises. If enterprises fail to effectively address climate change, resource consumption and environmental burden will worsen. High-carbon production processes continuously discharge greenhouse gases, exacerbating global warming and energy consumption; frequent extreme weather events lead to facility damage and energy interruptions, and are more likely to trigger production accidents and pollutant leaks, damaging the ecological environment. Conversely, if enterprises actively implement low-carbon transition, environmental pressure can be reduced. Clean energy substitution will reduce carbon emission intensity and slow climate warming; green processes can reduce the generation of emissions and lower environmental risks.

Joincare actively adapts to international trends, strengthening climate risk management and response while working to seize green development opportunities created by climate change, committed to reducing the impact of climate change on human health and enterprise operations and helping achieve the country's carbon peak and carbon neutrality targets. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we manage and disclose climate-related matters from four dimensions: governance, strategy, risk management, and metrics and targets. Since 2023, we have responded in detail to the CDP climate change questionnaire based on the Group's climate management situation for three consecutive years, and plan to continue responding in future years.

8.2.1 Governance

The Group relies on its sustainable development governance system to build a climate governance structure consisting of the Board of Directors' Sustainability Committee, the Sustainability Working Group, and the EHS department, advancing climate change management work in an orderly manner from the top down.

Board Level — Board-level Sustainability Committee

- Comprises three directors (including one independent director), with the Chairman serving as the Chair of the Committee. Receives at least one annual briefing from the Excecutive-level Sustainability Committee on climate-related issues.
- As the highest management body, is responsible for formulating and improving climate strategy, reviewing climate risk management policies, reviewing climate-related targets and their progress, and overseeing the implementation of climate change response actions.

Executive Level — Executive-level Sustainability Committee

- The Group CEO serves as the leader, responsible for overall oversight; other senior management personnel serve as deputy leaders to assist with oversight.
- Responsible for conducting in-depth research and analysis on the Group's and each production subsidiary's development status, accurately identifying major climate-related risks for the Group, formulating corresponding response strategies, and reporting to the Board-level Sustainability Committee annually.

Primary Responsible Department — EHS Department

- Leads climate change-related implementation work, including compiling climate risk lists, identifying and assessing climate-related risks, analyzing and listing climate-related potential development opportunities; jointly discusses with other business departments to formulate response measures and set targets based on assessed climate risk scores.

8.2.2 Strategy

Climate Scenario Analysis

The Group is deeply aware of the importance of climate scenario analysis for climate risk assessment and management, and uses the following scenarios as one of the reference factors for climate risk and opportunity assessment to better predict the potential climate risk impacts under low-emission and high-emission scenarios, improve business resilience, and formulate emission reduction pathways. During the Reporting Year, we focused on assessing the severity and time horizon of physical risk impacts under different scenarios; assessment results are detailed in the "Table: Climate Risk Identification and Response Situation".

Low-Emission Scenarios

- **SSP 1-2.6:** In this scenario, a sustainable society consuming mostly clean energy, countries have realised the seriousness of climate change, intensified climate action, and adopted stronger climate policies to reduce carbon emissions and limit global warming to well below 2° C. At the same time, continued technological progress and increased awareness are driving a global transition to low-carbon and low-energy practices and more climate-friendly modes of production and consumption. Global CO2 emissions have declined significantly, but at a slower pace, to reach net-zero emissions after 2050.
- **IEA NZE 2050:** In this scenario, the entire world is committed to achieving the goal of net-zero emissions by 2050. Governments and industries have taken positive climate action by developing and implementing a range of new climate policies. These policies have spurred the widespread deployment of clean energy and improved energy efficiency. Technological innovation and increased public awareness have facilitated the transition to a low-carbon economy and driven positive corporate action to reduce emissions. The goal of net zero emissions will be achieved by 2050.

High-Emissions scenarios

- **SSP 5-8.5:** In this scenario, the emissions path remains unchanged. The focus is on the climate impacts of physical risk factors, and countries have not adopted strong climate policies. Global temperatures are projected to rise by more than 2.5° C by 2055, which could lead to rising sea levels, changes in weather patterns, and more intense and frequent extreme weather events.
- **IEA STEPS:** This scenario reflects the global energy and climate development path based on current policies. In this scenario, governments promote the optimisation of the energy mix and the development of clean energy technologies in accordance with existing policy frameworks and plans. Global CO2 emissions are reduced in this scenario, and there is a 50% chance of limiting the global average temperature increase to 2.4° C by 2100.

In light of the above climate scenarios, for Joincare, under low-emission scenarios, the acceleration of global low-carbon transition and continuous tightening of environmental protection policies will mean the Group faces higher transition risks, requiring greater investment in clean energy substitution, low-carbon production technology upgrades, and production process renovation, while also needing to quickly adapt to policy changes and industry low-carbon standards. Under high-emission scenarios, rising global temperatures leading to increasingly frequent extreme weather events will mean the Group faces higher physical risks; extreme weather may cause damage to production plants and production equipment failures leading to production stoppages, and may also disrupt supply chain stability, affecting raw material supply and product delivery. In response, we continue to strengthen climate risk forecasting, continuously explore the formulation of transition plans, proactively transition towards low-emission development models, balancing risk prevention and opportunity identification, and achieving synergistic advancement of green development and business improvement.

Climate-Related Risk and Opportunity Assessment

The Group incorporates addressing climate change into decision-making considerations for the company's strategy, continuously monitoring the impact of climate change on the Group's production operations in the short, medium, and long term. We invite each of the Group's production subsidiaries to participate in climate risk and opportunity assessment work, systematically identifying and refining climate-related risks and opportunities closely related to the Group's own operations and upstream and downstream value chain from day-to-day work, and formulating targeted response measures. Climate risk and opportunity assessment results are reviewed annually to improve the Group's overall climate change response capability.

Climate Risk Identification and Response Situation[7]

Risk Category		Business and Financial Impact	Risk Assessment	Risk Response Measures
Physical Risk — Acute Risk	Typhoons	Climate change causes high-intensity typhoons to occur more frequently (e.g., once-in-50-year or once-in-100-year severe typhoons or super typhoons), bringing sustained strong winds and torrential rain that can affect power transmission to plants, leading to water and power outages or equipment damage, reducing enterprise production capacity, and threatening enterprise property safety.	Likelihood: Approximately Likely • **Low-emission scenario:** Severity of impact: Medium; Time horizon: Short-term • **High-emission scenario:** Severity of impact: Medium; Time horizon: Short-term	• Closely monitor climate change trends, formulate extreme weather emergency plans based on actual conditions, and conduct emergency training; • Establish typhoon disaster weather response task forces, ensure emergency supplies reserves, inspect drainage systems in the relevant areas, and ensure effective response to flooding caused by heavy rain; • Continuously monitor geographic and climate information, and take out all-risk property insurance for all operating locations; • Xinxiang Haibin and Jiaozuo Joincare have established flood response task forces and party member emergency teams, and procured adequate flood prevention materials to enhance flood response capabilities.
Physical Risk — Acute Risk	Heavy Rain (Flooding)	Climate change is causing the number of heavy rainfall days and rainfall intensity to increase across most of China, causing rivers, lakes, and coastal waters to increase in volume and water levels to rise and overflow, or due to inadequate drainage, causing plant sites, buildings, and other facilities to become waterlogged or flooded, leading to production stoppages, equipment damage, or inventory losses.	Likelihood: Approximately Likely • **Low-emission scenario:** Severity of impact: Medium; Time horizon: Short-term • **High-emission scenario:** Severity of impact: High; Time horizon: Medium-term	
Physical Risk — Chronic Risk	Rising Average Temperatures	Under the influence of climate warming, both daily maximum and minimum temperatures in China will rise, with increasing frequency of extreme high-temperature weather. Sustained work in high-temperature environments will have negative impacts on employees' physical health, while plant air conditioning and refrigeration equipment will be placed under greater load, leading to higher energy costs.	Likelihood: Likely • **Low-emission scenario:** Severity of impact: Low; Time horizon: Short-term • **High-emission scenario:** Severity of impact: Low; Time horizon: Short-term	• Effective cooling and heat stroke prevention measures have been implemented, with heat allowances issued to on-duty employees in summer, and enhanced labor protection work for high-temperature operations and high-temperature weather; • Air conditioning has been installed in workshops, and insulating materials with good thermal insulation properties are used for roof and wall insulation treatment.

[7] Time horizons (time over which a risk is expected to materialize): short-term (0-3 years), medium-term (4-10 years), and long-term (more than 10 years)
Likelihood (the likelihood that a risk is to materialize): basically certain, very likely, likely, approximately likely, unlikely, and very unlikely
Severity of impact (the severity of a risk's impact on business performance): high, medium-high, medium, medium-low, and low

Risk Category		Business and Financial Impact	Risk Assessment	Risk Response Measures
Transition Risk — Policy & Regulations	Carbon Pricing and Carbon Trading	Current regulations: Carbon trading requires enterprises whose carbon emissions exceed allocations to purchase additional allocations on the carbon market, and conversely, they may sell surplus allocations. Exceeding allocations may lead to increased enterprise operating costs. Over the past three years, the Group has spent approximately RMB 560,000 on purchasing carbon allocations.	Severity of impact: Medium Likelihood: Very Likely Time horizon: Short-term	• Gradually reduce the use of high energy-consuming and high-polluting production technologies and equipment, explore the application of environmentally friendly technologies, and reduce the Group's own carbon emissions. During the Reporting Year, the Group's environmental protection equipment and technology upgrade investment was RMB 29.666 million; • Continuously monitor carbon market dynamics and related changes, adjust operating strategies in a timely manner, establish a carbon emission accounting system, set carbon emission targets, and strengthen carbon allocation management.
	Climate and Environmental Policies	Emerging regulation and legal risk: Environmental protection-related regulatory requirements are becoming increasingly stringent, with national and local governments successively introducing related policies, causing enterprises to face new environmental protection costs. If enterprises fail to meet new environmental standards, they may face administrative penalties.	Severity of impact: Medium Likelihood: Likely Time horizon: Medium-term	• Continuously monitor national and local climate and environmental policies to ensure operations comply with relevant policy requirements; • Strengthen communication and cooperation with government environmental protection departments, proactively participate in the policy formulation process and prepare responses in advance; • Establish an environmental compliance risk early warning mechanism; if it is assessed that new environmental standards may not be met, actively take rectification measures to ensure compliance with relevant regulations.
Transition Risk — Market Risk	Rising Raw Material Prices	Climate change causes the prices of raw and auxiliary materials required for pharmaceutical production, packaging material prices, and energy prices such as water and electricity to rise, while logistics costs also increase, which may affect supply chain stability.	Severity of impact: Medium-High Likelihood: Likely Time horizon: Medium-term	• Designate alternative suppliers for raw and auxiliary materials, key consumables, and other materials; sign strategic cooperation agreements with key material suppliers; formulate supplier supplementation plans to ensure stable material supply.
Transition Risk — Technology Risk	Low-Carbon Technology Transition	Low-carbon technology may require substantial upfront investment for R&D and equipment upgrades, while the development of low-carbon equipment and production technology involves uncertainty. New technology investment may fail due to immature technology or low market acceptance, increasing sunk costs.	Severity of impact: Medium-Low Likelihood: Approximately Likely Time horizon: Medium-term	• When investing in new technology or introducing new equipment, conduct thorough project investigation and feasibility demonstration, comprehensively assess the investment return period and feasibility, select the most suitable mature technology, and reduce the risk of investment failure.
Transition Risk — Reputational Risk	Stakeholder Concerns	Public concern about environmental topics continues to rise; failure to actively address climate change will affect the enterprise's overall evaluation in the market, causing reputational damage, and in serious cases may lead to a decline in product sales.	Severity of impact: Medium-Low Likelihood: Approximately Likely Time horizon: Medium-term	• Carbon emission targets have been set and climate-related information is disclosed in the sustainability report and CDP climate change questionnaire; • Communication with stakeholders has been strengthened to ensure timely response to stakeholders' concerns about the Group's environmental performance.

While bringing risks, climate change also creates new opportunities for our business development. We closely monitor developments in domestic and overseas climate-related policies, inviting each production subsidiary to identify and assess climate-related opportunities from three dimensions: resource use efficiency, clean energy substitution, and market demand.

Climate opportunity identification and countermeasures [8]

Opportunity	Impact	Opportunity Assessment	Measures to Seize Opportunity
Higher resource utilization rate	• Lower energy and resource consumption can reduce emissions and operating costs. • By adopting more efficient production technologies, companies can increase their production capacity and revenue while using resources more efficiently.	Severity of impact: medium Likelihood: likely Time horizon: medium-term	• The Group actively engages in energy conservation and emission reduction projects and increases investments in green production projects to continuously improve energy and resource efficiency, reduce costs, and increase efficiency through technology transformation and equipment upgrading.
Increased proportion of clean energy	• Increasing the proportion of clean energy can effectively reduce carbon emissions and help achieve the Group's emissions reduction targets. • Replacing fossil fuels with clean energy can help companies better manage the risk of rising fossil fuel prices in the future.	Severity of impact: medium Likelihood: approximately likely Time horizon: medium-term	• The Group plans to accelerate the construction of photovoltaic power generation projects and gradually increase the installed photovoltaic capacity and annual photovoltaic power generation. • The Group has initiated photovoltaic projects in the qualified plants of all our subsidiaries, to continuously improve self-sufficiency in clean energy.
New market demands	• Climate change may lead to more chances for human infections and outbreaks of influenza, as well as increased risk of respiratory diseases, creating new market demands for pharmaceutical companies.	Severity of impact: medium-high Likelihood: very likely Time horizon: medium-term	• We closely track market demands and have developed a number of new medicines for respiratory diseases such as asthma, COPD and bronchiectasis. • We participate in public health promotion and education activities to raise public awareness of climate change-related diseases.

[8] Time horizons (time over which an opportunity is expected to materialize): short-term (0-3 years), medium-term (4-10 years), and long-term (more than 10 years)
Likelihood (the likelihood that an opportunity is to materialize): basically certain, very likely, likely, approximately likely, unlikely, and very unlikely
Severity of impact (the severity of an opportunity's impact on business performance): high, medium-high, medium, medium-low, and low

8.2.3 Impact, Risk and Opportunity Management

To actively address the risks and opportunities brought by climate change, the Group has incorporated climate risks and opportunities into the comprehensive risk management process, conducting annual climate risk and opportunity identification, formulating scientific climate change response plans, and regularly reporting progress to the Board of Directors' Sustainability Committee to ensure climate-related risks are effectively managed.

Our specific climate risk and opportunity management steps are as follows:

Step 1 — Making a list of potential climate risks and opportunities

- The EHS departments of our subsidiaries collect peer reports, industry research reports, media reports, relevant policies enacted by regulators and other external information and data. Based on this information as well as stakeholder surveys and internet searches, they draw up a list of potential climate risks and opportunities faced by their companies. In the process, other relevant business divisions will support the EHS departments by collecting, summarizing and sharing information on climate risks and opportunities faced by their departments.

Step 2 — Determining assessment criteria

- **For each identified climate risk/opportunity, assess from the following four dimensions:**
  - (1) Expected time of occurrence
  - (2) Likelihood of occurrence
  - (3) The severity of impact on the subsidiaries' financial plans
  - (4) The severity of impact on the subsidiaries' corporate strategies

Step 3 — Scoring by the management

- The EHS departments assess and score each risk/opportunity identified in the 4 dimensions in Step 2. Based on their scores, the risks and opportunities are ranked from the highest to the lowest and a list by severity is created. The list is submitted to the heads of the relevant business divisions for initial approval and then to the general managers of the subsidiaries for final approval. Once approved, it becomes the final annual list of risks and opportunities of the subsidiaries.

Step 4 — Determining response measures

- The EHS departments determine response measures and set targets based on the scores and discussions with other relevant business divisions. They then hammer out action plans to respond to climate risks, which will be implemented by the relevant business divisions after approval by the general managers.

Step 5 — Overseeing and reporting

- The relevant business divisions report to their general managers on the implementation of the action plans every six months and adapt them in good time to their actual situation.
- The subsidiaries prepare annual reports on climate risks and opportunities management every year. After approval by the general managers, the reports are submitted to the Executive-level Sustainability Committee for review and then to the Sustainability Committee of the Board of Directors for final approval.

8.2.4 Metrics and Targets

The Group's Scope 1 and Scope 2 greenhouse gas emissions primarily originate from fuel combustion, electricity consumption, and purchased steam consumption during production and operations. In 2025, Joincare conducted its first greenhouse gas (GHG) inventory covering the full value chain; the GHG emission situation is as follows:

GHG emissions of Joincare in 2025

Indicator	Unit	Total
Scope 1 GHG emissions [9]	Tonne of CO_2 equivalents	**219,583.0**
Scope 2 GHG emissions-market-based [10]	Tonne of CO_2 equivalents	**732,725.0**
Scope 2 GHG emissions-location-based [11]	Tonne of CO_2 equivalents	**816,865.1**
Scope 3 GHG emissions [12]	Tonne of CO_2 equivalents	**756,590.8**
Total GHG emissions [13]	Tonne of CO_2 equivalents	**1,708,898.8**

The Group deliberated and approved the *Proposal on Adding Carbon Emission Targets to Joincare's Environmental Management* in 2022. According to the proposal, we set the carbon emission target of Joincare from 2022 to 2025 and strive to achieve carbon peaking by 2028 and carbon neutrality by 2055 (Scope 1 and Scope 2) through approaches including emission reduction and carbon offsetting.

[9] Scope 1 greenhouse gas emissions include combustion emissions from stationary and mobile sources, process emissions, and fugitive emissions. Emission factors and calculation methodologies are referenced from the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, GB/T 2589 *General Rules for Calculation of Comprehensive Energy Consumption, and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors (Trial)*. The Global Warming Potential (GWP) values for greenhouse gases are sourced from the IPCC Sixth Assessment Report (2023). In 2025, the Group conducted a greenhouse gas inventory, during which the emission sources and greenhouse gas types covered under Scope 1 were expanded.

[10] Scope 2 greenhouse gas emissions primarily arise from indirect greenhouse gas emissions associated with purchased electricity and steam consumed during the Group's operations and production processes. The calculation methodology references ISO 14064-1. In 2025, the electricity emission factor applied to the Group's market-based Scope 2 emissions is 0.6096 tCO_2/MWh, sourced from the *Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factors*.

[11] The electricity emission factor applied to the Group's 2025 location-based Scope 2 emissions is 0.5306 tCO_2/MWh, sourced from the *Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factors*.

[12] Scope 3 greenhouse gas emissions are classified into 15 categories in accordance with the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (2011). Category 14 is not applicable to the Group at this time. For the emissions breakdown by Scope 3 category, please refer to "9.2 Data List of Key Performance Indicators."

[13] Total GHG emissions include Scope 1, Scope 2 (market-based), and Scope 3 emissions.

During the Reporting Year, after comprehensively evaluating the achievement of the 2022–2025 carbon emission targets and factors such as the Group's own business development and industry trends, we used 2025 as the base year to set 2030 carbon emission targets, and planned the Group's low-carbon transition plan around these targets. Over the next five years, for Scope 1 and Scope 2 emissions, we will continue advancing energy efficiency improvements and clean energy substitution in production and R&D processes; for Scope 3 emissions, we intend to collaborate with key suppliers to promote green procurement programs and optimize logistics systems to reduce carbon emissions from product transportation.

In advancing this transition, we attach great importance to engagement with all stakeholders. At the value chain level, we build green partnerships through supplier training and customer engagement; at the industry level, we actively participate in pharmaceutical industry association exchanges to contribute to the development of industry low-carbon standards and best practices; at the public level, we maintain communication with government agencies and social organizations to support environmental policy development and respond to societal expectations for green development. Upon evaluation, the Group's transition plan does not involve risks that may cause significant negative social impacts, and fully considers the positive implications for employees, communities, and other stakeholders.

Carbon emission targets of Joincare for 2030

Indicator	Final Target by 2030
GHG emissions (Scope1+Scope2) per unit production (RMB 10,000)	**Down 5% from 2025**

In addition, Fuzhou Fuxing, a subsidiary of Livzon Group (a controlling subsidiary of Joincare), has set a short-term science-based target which, after review by the Science Based Targets initiative (SBTi), was formally made public in December 2025. Fuzhou Fuxing commits to, using 2023 as the base year, reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 63.0% by 2035, and absolute Scope 3 greenhouse gas emissions from purchased goods and services (Category 1) and fuel and energy-related activities (Category 3) by 37.5%. In future, we will continue to explore the setting of science-based targets and strive to progressively expand the target coverage.

8.3 Energy Utilization

The Group strictly complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Cleaner Production Promotion Law of the People's Republic of China*, referencing energy management system standards such as ISO 50001, and continuously strengthens energy management system building.

Energy System Certification Status of Joincare Production Subsidiaries

Company Name	Energy System Accreditation	Name of the Energy System
Jiaozuo Joincare	Accredited	ISO 50001:2018 / RB/T114-2014
Xinxiang Haibin	Accredited	ISO 50001:2018 / RB/T114-2014
Haibin Pharma	Accredited	ISO 50001:2018 / RB/T114-2014
Joincare Haibin	Accredited	ISO 50001:2018 / RB/T114-2014
Fuzhou Fuxing	Accredited	ISO 50001:2018 / RB/T114-2014
Livzon Hecheng	Accredited	GB/T23331-2020/ RB/T114-2014

Joincare's production subsidiaries build energy management systems based on their actual production situations, determining achievable energy utilization levels through on-site surveys, document reviews, energy audits, and energy data analysis, fully identifying enterprises' energy conservation potential, and formulating practical energy conservation technologies and management measures to ensure efficient and orderly progress of energy management work. We fully integrate the concept of energy management into the full process of production operations, adopting multiple measures to improve energy use efficiency, advancing energy conservation and emission reduction and energy efficiency improvement, while also actively increasing investment in green production project to build green production enterprises.

2025 Joincare Green Production Projects

Company	Project Name	Investment Amount	Outcomes
Haibin Pharma	Energy Storage Station Project	Third-party funded: RMB1.2 million	Haibin Pharma partnered with a third party to advance the construction of an energy storage station project, with both parties agreeing on a 10-year cooperation period and splitting energy savings revenue. The project was completed and officially commissioned in October 2025, with an installed capacity of 0.625MW/1.305MWh, expected to save approximately RMB 750,000 in electricity costs for Haibin Pharma.
Jiaozuo Joincare	Industrial Wastewater Workshop Ageing Fan Replacement and Upgrade Project	RMB550,000	Jiaozuo Joincare replaced 3 multi-stage centrifugal aeration fans that had been operating for 15 years with declining efficiency with 2 magnetic levitation centrifugal blowers. The new equipment fully meets production process requirements; after commissioning, annual electricity savings can reach 840,000 kWh and annual electricity cost savings of RMB 420,000. Equipped with PLC and remote monitoring systems, it achieves automated operation and real-time monitoring, effectively reducing labor costs.
Livzon Xinbeijiang	Air Compressor Energy-Saving Renovation Project	RMB2.58 million	Livzon Xinbeijiang carried out energy efficiency upgrade renovation of the existing air compressor system, using high-efficiency compressor units and intelligent control systems to optimise operating modes. The project is planned to be completed in 2026; the renovated equipment system can operate stably for 30 years, with an estimated annual electricity saving of 2.1 million kWh.
	MVR Feed System Technical Renovation Project	RMB30,000	Livzon Xinbeijiang implemented a technical renovation of the MVR feed system, optimising the heat exchange process to increase the temperature of the feed dilute sugar water from its original level to 70° C, thereby reducing the demand for fresh steam during system operation and reducing natural gas consumption. After implementation, the project saves 33,000 cubic metres of natural gas annually.

While advancing energy conservation renovations and optimizing energy consumption, we also actively plan clean energy utilization, focusing on advancing photovoltaic power generation project construction, fully tapping renewable energy potential, further broadening pathways for energy conservation and consumption reduction, and helping the Group achieve a low-carbon transition. In 2025, Joincare invested a total of approximately RMB 6.6 million in distributed photovoltaic project construction, with annual cost savings of approximately RMB 2.2 million (excluding cost savings from third-party-funded projects).

2025 Joincare Distributed Photovoltaic Projects

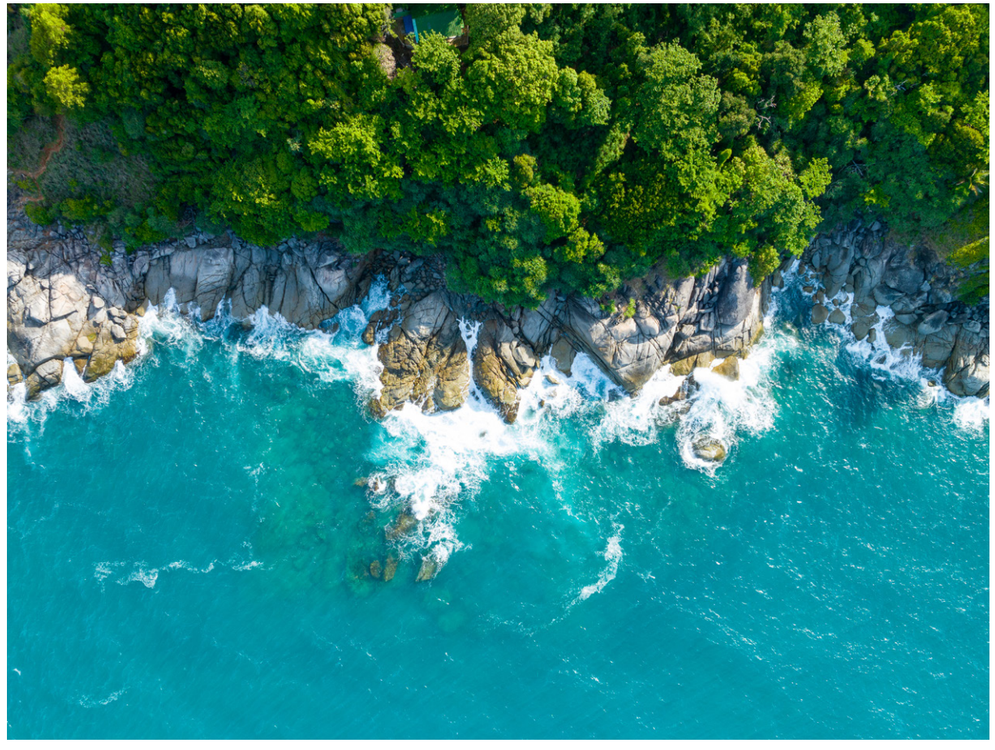
Company	Outcomes
Jiaozuo Joincare	Jiaozuo Joincare utilised 6,830 m^2 of plant rooftops and unused land to build a 1.172 MWp distributed photovoltaic power station. The project adopts a self-generation self-use model, with annual power generation of 1.289 million kWh, capable of reducing carbon emissions by 684 tonnes, and annual electricity cost savings of RMB 758,000.
Taitai Pharmaceutical	Taitai Pharmaceutical advanced the construction of a distributed photovoltaic project for the formulation building, was connected to the grid at the end of September 2025, with all generated electricity consumed on site. As at the end of the Reporting Period, 140,000 kWh of power had been generated, capable of reducing carbon emissions by 74 tonnes and saving approximately RMB 6,000 in carbon allocation costs.
Joincare Haibin	Joincare Haibin utilised existing idle plant rooftops to build a 5,383.8 m^2 distributed photovoltaic power generation project with a total installed capacity of 1,256.22 kWp. The project was completed and commissioned in October 2025, adopting an on-site generation and self-consumption model. As at the end of the Reporting Period, an estimated 220,000 kWh of power had been generated; annual power generation is estimated at 1.2 million kWh, capable of reducing carbon emissions by 637 tonnes and saving RMB 1.242 million in electricity costs annually.
Xinxiang Haibin	Xinxiang Haibin advanced photovoltaic power generation project construction. The project adopts a self-generation self-use model, with annual power generation of approximately 263,000 kWh, capable of reducing carbon emissions by 140 tonnes, and annual electricity cost savings of over RMB 200,000.
Livzon Hecheng	Livzon Hecheng advanced the construction of a photovoltaic power generation project. The project has an expected operational lifespan of 25 years, with an estimated annual power generation of 500,000 kWh, equivalent to a reduction in carbon emissions of approximately 265 tonnes per year. All electricity generated will be used exclusively by the Company, which will benefit from a reduction in electricity tariffs. The estimated investment payback period is 3.5 years.
Livzon Diagnostics	Livzon Diagnostics advanced the construction of a photovoltaic power generation project. The project has an expected operational lifespan of 15 years, with an estimated annual power generation of approximately 460,000 kWh, equivalent to a reduction in carbon emissions of approximately 244 tonnes per year. The project operates under a "self-generation and self-consumption, with surplus electricity fed to the grid" model, with the self-consumed portion benefiting from an approximately 50% reduction in electricity tariffs. The estimated investment payback period is 5 years.

In addition, building on the promotion of internal renewable energy independent application, we proactively expanded external green electricity procurement channels, confirming green electricity consumption through the purchase of Renewable Energy Certificates (RECs), effectively optimizing the energy consumption structure and compensating for gaps in independent renewable energy supply. Among these, Joincare Haibin completed REC procurement in July 2025, purchasing a total of 16,105 RECs, equivalent to recognized consumption of 16,105 MWh of green electricity. Jiaozuo Joincare completed REC procurement in December 2025, purchasing a total of 187,844 RECs, equivalent to recognized consumption of 187,844 MWh of green electricity. Both subsidiaries have obtained official certification credentials for their respective RECs, and the relevant credentials have been transacted on China's Green Electricity Certificate Trading Platform, fully ensuring the authenticity and compliance of the Group's green electricity consumption.

8.4 Pollutant Emissions

Joincare strictly complies with national and local environmental protection laws and regulations such as the *Environmental Impact Assessment Law of the People's Republic of China*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, and the *Air Pollution Prevention and Control Law of the People's Republic of China*, standardizing emission behavior. In combination with actual production and operations, we have formulated systems including the *Safety and Environmental Management* Manual and the *Environmental Protection Management Assessment System*, and during the Reporting Year revised and improved core environmental protection management systems including the *Wastewater Discharge Assessment System* and the *Hazardous Waste Management System*, refining emission classification and grading standards, full-element monitoring technical requirements, compliant disposal processes, and pollutant discharge standards, promoting the systematic, standardized, and regulated management of emission management.

The Group has built a full lifecycle management system for pollutant emissions. Each production subsidiary completes the declaration and obtaining of pollutant discharge permits on the national unified platform in accordance with the law, and within the validity period of the permit strictly enforces discharge permit control requirements to ensure pollutant discharge is compliant. At the same time, we formulate self-monitoring plans in accordance with environmental assessment documents and discharge permit requirements, regularly commissioning qualified third-party testing institutions to conduct dedicated monitoring of pollutants such as exhaust gases, wastewater, and noise. Combined with monitoring data, we implement self-inspection and self-correction of emission behavior, precisely managing emission risks, minimizing the impact of production and business operations on the ecological environment, and fully implementing principal environmental protection responsibilities.



8.4.1 Exhaust Gas Management

Joincare strictly complies with laws and regulations such as the *Air Pollution Prevention and Control Law of the People's Republic of China*, continuously strengthening full-process management and control of exhaust gas emissions. We have formulated and implemented dedicated management systems such as the *VOCs Collection and Treatment Management System*, the *Boiler Exhaust Gas Emission Management System*, and the *High-Concentration Exhaust Gas Treatment System Standard Operating Procedure*, clarifying full-chain management requirements for exhaust gas collection, treatment, and discharge for each production subsidiary, standardizing the operation and maintenance process of pollution treatment facilities, and ensuring stable and compliant exhaust gas discharge. Each production subsidiary, in combination with actual production situations, takes targeted combinations of measures including exhaust gas source reduction, efficient in-process collection, and in-depth end-of-pipe treatment to precisely reduce the impact of exhaust gas emissions on the ecological environment.

Digital Monitoring and Manual Detection of Waste Gas

- Installe online monitoring equipment for organised waste gas emissions and detection equipment for fugitive waste gas emissions for teal-time monitoring of the waste gas pollution factors. Data is uploaded to the national automatic monitoring and basic database system for key pollution sources in real-time.
- Conduct manual detection of organised and fugitive waste gas emissions each quarter pursuant to the requirements of the waste discharge permit and their self-monitoring plans. This practice aims to advance efficient management of the emissions.

Daily Detection and Feedback of Waste Gas Concentration

- In the daily inspection of environmental protection, check the concentration detection of environmental pollutants in their production areas, the concentration detection of environmental pollutants in key areas, the leakage problems in the production areas, and the operating status of the waste gas collection and treatment facilities.
- Report the concentration of environmental pollutants within the scope of their factories to the production units, demand that the items that do not meet the requirements be corrected in a timely manner, and record the items that violate the environmental management policy and punish those responsible.

Strengthening of Waste Gas Management

- Cconduct professional and technical training for waste gas management personnel to enhance their professional ability.
- Acquire real-time updates on the progress of each production step by consistently strengthening communication between the waste gas treatment departments and the production departments.

To reduce harmful emissions from our operations, we carry out group-wide projects of emissions management improvement every year. Each Joincare's production subsidiary continues to increase its investments in waste gas management and has achieved effective management of waste gas emissions by upgrading waste gas treatment equipment and process.

2025 Joincare Key Exhaust Gas Management Improvement Projects

Company	Project Name	Investment Amount	Outcomes
Joincare Haibin	Wastewater Station and Production Exhaust Gas Facility Upgrade Project	RMB148,000	Joincare Haibin upgraded its wastewater station and production exhaust gas treatment facilities. After upgrading, production exhaust gas treatment adopts a "spray tower + demister + first-stage activated carbon box + second-stage activated carbon box" process, and wastewater station exhaust gas treatment adopts a "spray tower + activated carbon box + UV photolysis equipment" process, which can significantly improve exhaust gas purification efficiency and strengthen characteristic pollutant adsorption and degradation, ensuring stable and compliant exhaust gas discharge.
Jiaozuo Joincare	Industrial Wastewater Treatment Workshop Exhaust Gas Optimisation and Treatment Project	RMB5.35 million	Jiaozuo Joincare uses an RTO (Regenerative Thermal Oxidiser) as the core equipment, applying regenerative incineration technology with an intelligent control system, suitable for treating complex pollutants. Exhaust gas treatment efficiency reaches above 98%. After project implementation, non-methane total hydrocarbon concentrations are stably reduced to below 20 mg/m³, with annual emission reductions of 4.46 tonnes, meeting Class A enterprise environmental management and control requirements; at the same time, desulphurised biogas is used as fuel, with annual cost savings of approximately RMB 350,000.
Xinxiang Haibin	RTO Inspection and Maintenance and High-Concentration Exhaust Gas System Adsorbent Material Replacement Project	RMB850,000	Xinxiang Haibin carried out inspection and maintenance of the RTO regenerative thermal oxidiser and replaced activated carbon and carbon fibre adsorbent materials in the high-concentration exhaust gas system, restoring and improving equipment operating efficiency and adsorption purification capability, improving high-concentration organic exhaust gas purification efficiency, achieving ultra-low emission of exhaust gas, and reducing pollutant emission intensity.
Ningxia Pharma	Tail Gas Treatment Project for Refining Processes	Specific investment amount cannot be separately accounted for	Ningxia Pharmaceutical upgraded and retrofitted its tail gas treatment facilities for refining processes to strengthen exhaust emission control and improve resource recycling efficiency. By adding a combined condensation and activated carbon adsorption recovery system, the project effectively increased solvent recovery rates and reduced waste gas emissions. Upon completion of the project, the annual consumption of butyl acetate was reduced by 364.5 tonnes, resulting in cost savings of RMB 355,000.

8.4.2 Wastewater Management

Joincare strictly complies with laws and regulations such as the *Water Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*, building a full-process wastewater management system and formulating comprehensive standard operating procedures for all stages of wastewater treatment. For key discharge subsidiaries, we have standardly deployed online monitoring systems at wastewater discharge outlets, achieving connectivity and linkage with government regulatory platforms, real-time monitoring and uploading of data on characteristic pollutant indicators such as chemical oxygen demand (COD), ammonia nitrogen, total nitrogen, and total phosphorus in treated wastewater, strengthening the management and control of the wastewater discharge process, and ensuring stable and compliant wastewater discharge from each production subsidiary.

We have established a full lifecycle operation and maintenance mechanism for wastewater treatment and monitoring equipment, regularly conducting equipment inspections, calibration, and maintenance to ensure efficient and stable operation of the wastewater treatment system. Each production subsidiary actively advances clean production process renovations and product water equipment upgrades to reduce wastewater volume and pollutant concentrations from the source. At the same time, we regularly organize dedicated technical training for wastewater treatment system and sewage station operators, improving position personnel's environmental protection management awareness and professional operation and maintenance capabilities, comprehensively ensuring standardized and orderly progress of wastewater management work.

To reduce the environmental impact of wastewater generated during operations, we carry out group-wide wastewater management enhancement initiatives every year. These efforts include upgrading wastewater treatment processes and renewing related equipment to reduce discharge volumes, increase the utilization of treated wastewater, lower pollutant concentrations, and continuously explore further opportunities for improvement in wastewater management.

2025 Joincare Key Wastewater Management Improvement Projects

Company	Project Name	Investment Amount	Outcomes
Jiaozuo Joincare	Dissolved Air Flotation Dosing System Automation Upgrade Project	RMB300,000	Jiaozuo Joincare introduced an automated dosing preparation system in the dissolved air flotation dosing stage, equipping 3 dissolved air flotation units with independent dosing pumps and separate pipelines, replacing the original shared design. After implementation, the precision and stability of reagent dosing were significantly improved, the fluctuation range of dissolved air flotation effluent quality was reduced by more than 50%, and key indicators stably meet compliance standards. Annual labor cost savings of RMB 140,000 and reagent cost savings of RMB 20,000 can be achieved, totaling annual savings of RMB 160,000, while improving the intelligent management level of wastewater treatment and reducing the risk of operational errors.
Xinxiang Haibin	Magnetic Levitation Fan Project	RMB220,000	Xinxiang Haibin introduced magnetic levitation fans to upgrade the aeration system of the wastewater treatment facility, improving dissolved oxygen concentration in the aeration tank and enhancing the degradation efficiency of activated sludge, improving wastewater treatment load and purification capability. After implementation, key pollutant indicators of wastewater discharge were stably reduced, effectively managing environmental compliance risks; equipment energy efficiency was significantly improved, annual electricity cost savings were RMB 290,000, carbon emission reductions were 21.6 tonnes, achieving synergistic benefits of improved wastewater treatment efficiency and energy conservation and carbon reduction.
Jiaozuo Synthesis	High-COD Wastewater Solvent Recovery Project	Specific investment amount cannot be separately accounted for	Jiaozuo Synthesis used an existing acetone column in the workshop to distil crude product mother liquor high-COD wastewater, achieving partial solvent recovery. Personnel were systematically trained before the project's trial run; during the early trial run period, distillation column temperatures were optimized multiple times to ensure recovered solvent quality can enter the recovery distillation system for secondary distillation without affecting the original system solvents. In actual operation tests, approximately 15% of residual solvents can be recovered.

8.5 Waste Management

Joincare strictly complies with regulatory standards including the *Classification Management Directory for Emission Permits of Stationary Pollution Sources* and the *Pollution Control Standard for Storage and Landfill of General Industrial Solid Waste*, building a full-process waste management and control system to ensure all stages of waste classified collection, standardized storage, directional transfer, and compliant disposal are controllable, ensuring waste disposal compliance. For hazardous waste, we strictly implement the hazardous waste transfer manifest system, entrusting all disposal to units with the appropriate qualifications. For non-hazardous waste, based on its utilization attributes, disposal agreements are signed with qualified units for resource utilization or safe disposal.

The Group advances solid waste management across the full chain of source waste reduction, in-process resource recovery and reuse, and end-of-pipe harmless disposal, improving the circular utilization rate of waste and reducing the waste from own operations sent to landfill. We have formulated solid waste disposal targets, explicitly requiring each subsidiary to achieve a 100% compliant disposal rate. In 2025, each subsidiary successfully achieved their solid waste disposal targets.

Joincare Waste Management Principles

Reduce Control waste generation from production sources, optimize production processes and reasonably plan material use to reduce the total volume of all types of waste generated, reducing waste treatment pressure and environmental impact from the root cause.

Reuse For recyclable waste generated in the production process, where compliant with pharmaceutical industry requirements and quality standards, treat and recycle for repeated use to improve resource utilization efficiency.

Recycle For waste that cannot be directly reused but has recyclable value, collect by category and hand over to qualified units for processing to achieve resource regeneration and utilization, promoting the transformation of waste towards resource recovery.

Recover For waste that does not have conditions for reuse or recycling, extract available energy or materials through compliant processes to maximize the potential value of waste and reduce resource waste.

Dispose For waste with no utilization value and which cannot be resource-recovered, harmlessly treat in strict accordance with national environmental protection regulations and industry standards, ensuring no pollution to the ecological environment and ensuring full process compliance of disposal.

To reduce waste generation during operations, we carry out group-wide waste management enhancement projects every year. We classify and treat waste to improve processing efficiency, and consistently invest in technological and process innovation by introducing advanced environmental technologies at the production stage and upgrading existing production technologies and formulations to minimize waste.

2025 Joincare Key Solid Waste Management Improvement Projects

Company	Project Name	Investment Amount	Outcomes
Jiaozuo Joincare	Ruthenium Trichloride Recovery Project	RMB268,000	Each batch of 4,000 L of Jiaozuo Joincare's wastewater originally contained approximately 760 grams of ruthenium trichloride. Wastewater is now concentrated to 200 L before recovery processing, capable of recovering approximately 570 grams of ruthenium trichloride. Based on a market average price of RMB 65/gram, this saves approximately RMB 35,500 per batch.
Fuzhou Fuxing	Waste Alumina Recycling to Produce Aluminium Sulphate Flocculant Project	Specific investment amount cannot be separately accounted for	Fuzhou Fuxing built dedicated alumina recycling and synthesis facilities, using high-temperature hydrothermal reaction technology to convert waste alumina generated in the production process into aluminium sulphate flocculant with utilization value, directly applied to the plant's water treatment system, achieving source reduction of hazardous waste and resource circulation.
Livzon Pharmaceutical Factory	Hazardous Waste Electronic Information Platform Construction Project	Specific investment amount cannot be separately accounted for	Livzon Pharmaceutical Factory built a hazardous waste electronic information management platform, achieving full-process closed-loop monitoring from hazardous waste entry into storage, temporary storage, transfer, to final disposal, significantly enhancing the real-time capability and traceability of waste management, and providing data support for waste reduction.

8.6 Water Resource Utilization

The Group strictly complies with relevant laws and regulations such as the *Water Law of the People's Republic of China*, improving water resource management requirements, implementing standardized and systematic management initiatives, and striving to improve water resource use efficiency across production, operations, and other aspects.

Adhering to the concept of "Prioritizing water conservation, promoting recycling, and ensuring compliance management", the Group implements water conservation actions, practices strict water resource management systems, and advances water resource management improvement projects across the entire Group. Each production subsidiary, supported by technology upgrades, introduces advanced water conservation technologies and processes, strengthens source management and control for water conservation, replaces ageing leaking facilities and high water-consuming equipment, and promotes water-saving fixtures; builds a digital water resource monitoring system, achieving real-time monitoring of water use and discharge and data traceability through intelligent metering instruments; at the same time strengthens maintenance of water-consuming equipment, and continuously advances reclaimed water and cooling water recovery and utilization projects, improving the water recycling rate and reducing fresh water consumption. Some subsidiaries have incorporated water conservation indicators into performance assessments, establishing closed-loop management mechanisms to ensure water resource management is compliant and efficient.

In addition, to accurately understand the current water resource utilization situation, each production subsidiary actively conducts water use assessments and water balance tests. In April 2025, Joincare Haibin signed a water balance test contract with a professional water treatment service company, completed the water balance test work, and issued a *Water Balance Test Report*; in July of the same year, it completed "key water use unit water balance test result filing". Through conducting water balance tests, Joincare Haibin conducted a systematic review of its full process of water use and discharge, accurately identified weaknesses in water resource utilization, and provided scientific data support for subsequent optimization of water resource allocation and deepening of water conservation renovation.

2025 Joincare Key Solid Waste Management Improvement Projects

Company	Project Name	Investment Amount	Outcomes
Xinxiang Haibin	F12 Supernatant Reuse Project	Existing equipment repurposed, with no additional investment	Xinxiang Haibin achieved resource-based reuse of F12 supernatant through process optimization, reducing freshwater supplementation. After operational verification, the project saves over 2,000 tonnes of fresh water annually, effectively improving water recycling rate and reducing water resource consumption intensity.
	Distillation Column Condensate Water Reuse Project	RMB95,000	Xinxiang Haibin built a condensate water recovery system, collecting and treating distillation column process condensate water before reuse as a substitute for freshwater consumption, achieving cascaded utilization of water resources. After commissioning, the project saves over 15,000 tonnes of fresh water annually, significantly improving water recycling rate and reducing water consumption per unit of product.
Livzon Limin	Purified Water Machine Concentrated Water Recycling Project	Specific investment amount cannot be separately accounted for	Livzon Limin used concentrated water generated by the purified water machine as a substitute for tap water in cooling the water-ring vacuum pump, achieving circular utilization of purified water machine concentrated water and further reducing freshwater consumption.

8.7 Circular Economy

Joincare adheres to the *Circular Economy Promotion Law of the People's Republic of China* and other relevant laws and regulations, consistently integrating sustainable development principles into all aspects of production and operations while continuously strengthening resource utilization management. We adhere to the "3R Principle" (Reducing, Reusing, and Recycling), deeply implement the concept of a circular economy, comprehensively advance the construction of a resource recycling system, and aim to enhance recovery rates. Given that pharmaceutical waste management must strictly comply with drug safety regulations and industry standards, the Group currently prioritizes internal system development, with quantitative targets to be progressively explored in the future.

In terms of material management optimization, we scientifically plan warehouse layouts and implement standardized storage management of packaging materials and auxiliary materials by zone, layer, and category, effectively improving warehouse space utilization and reducing material losses and resource waste in the storage stage. At the same time, we optimize material transportation routes within plants and improve the utilization efficiency of transportation equipment, significantly improving internal material turnover efficiency and reducing energy and resource consumption during transportation. In the process of product packaging design and specification optimization, we promote the resource-based circular reuse of consumables such as packaging strips and strapping tapes for finished products, further improving resource use efficiency and strengthening the maximization of material full lifecycle value.

Case

Joincare Product Packaging Material Environmental Practices

Joincare continuously optimizes product packaging design, launching more environmentally friendly products while meeting market needs:

- **Taitai Pharmaceutical:** The company has established packaging classification material selection standards covering all of the company's products, requiring basic structural components to use metal products (recycling rate greater than 95%) and corrugated cardboard (100% FSC certified); buffer materials to use recyclable EPE foam (EPE) and high-density honeycomb paper products; inner packaging to use polypropylene (BOPP) and low-density polyethylene (LDPE) materials, both of which have passed Global Recycled Standard (GRS) certification.
- **Joincare Haibin:** The budesonide inhalation suspension color carton incorporates a foldable design concept, greatly reducing transportation and storage space and lowering carbon emissions during transportation; FSC-certified packaging materials are used to ensure sustainable utilization of forest resources. At the same time, this product has obtained a product carbon footprint certificate.
- **Haibin Pharma:** By optimizing the packaging bottle specifications for injections, changing the packaging bottle specification from 15 ml to 10 ml, 29.61 tonnes of glass raw materials can be reduced in consumption annually. The product's packaging materials mainly include corrugated paper, white card paper, halogenated butyl rubber stoppers, and medium borosilicate glass tube injection vials, all using green and recyclable materials, with a green material usage rate of 100%.

8.8 Ecosystem and Biodiversity Protection

Joincare places great importance on the impact of its activities on biodiversity and strictly complies with relevant laws, regulations, and policy provisions such as the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Forestry Law of the People's Republic of China*, the *Wildlife Protection Law of the People's Republic of China*, the *Regulations on Returning Farmland to Forests, and the Opinions on Further Strengthening Biodiversity Protection*, actively fulfilling its obligations under the United Nations Convention on *Biological Diversity*, and taking multiple approaches to promote biodiversity protection.

Joincare's Commitments on Protecting Biodiversity and Forest Resources:

- Require value chain related parties to strictly fulfil biodiversity protection responsibilities, avoid operational activities near sites containing globally or nationally important biodiversity, and jointly protect ecologically sensitive areas.
- Conduct biodiversity risk assessments, identify potential risks in operations and value chain stages, apply the mitigation hierarchy for biodiversity impacts potentially arising from operations and value chain activities, prioritizing avoidance measures, and implementing mitigation, restoration, and compensation actions when avoidance is not possible, to minimize negative impacts to the greatest possible extent.
- Actively communicate with stakeholders on biodiversity protection-related work, proactively share protection measures and progress, and listen to reasonable opinions and suggestions.
- Prohibit all illegal deforestation, not engage in any forest-destroying activities, and uphold the bottom line of forest resource protection.

The above commitments have been reviewed and approved by the Board of Directors' Sustainability Committee, and are applicable to Joincare Pharmaceutical Group Industry Co., Ltd. headquarters and its wholly-owned and controlled subsidiaries; at the same time, we hope all suppliers and partners related to the Group's value chain will actively respond to the commitments.

Before plant construction, we actively carry out environmental risk factor identification and hidden danger investigation work, strictly comply with ecological red line requirements, and avoid conducting business near nationally designated ecological protection areas and other areas of high biodiversity value. At the same time, we encourage each production subsidiary to conduct biodiversity assessments related to their business, helping protect endangered species and promoting ecosystem balance. During the Reporting Year, Joincare had no production plants or operating locations in ecological protection areas or areas of high biodiversity value. None of the Group's production activities, products, or services caused any significant impact on ecosystems or biodiversity.

9 Appendix

9.1 Index of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*

Topic	Article	Section in the report
Sustainability information disclosure framework	Article 11-19	1 Sustainability Management 3 Innovation-Driven Development 4 Product and Service Safety & Quality
Climate change tackling	Article 21-28	8.2 Addressing Climate Change 9.2 Data List of Key Performance Indicators
Pollutant discharge	Article 30	8.4 Pollutant Emissions 9.2 Data List of Key Performance Indicators
Waste disposal	Article 31	8.5 Waste Management 9.2 Data List of Key Performance Indicators
Ecosystem and biodiversity protection	Article 32	8.8 Ecosystem and Biodiversity Protection
Environmental compliance management	Article 33	8.1 Environmental Compliance Management
Energy usage	Article 35	8.3 Energy Utilization 9.2 Data List of Key Performance Indicators
Usage of water resources	Article 36	8.6 Water Resource Utilization 9.2 Data List of Key Performance Indicators
Circular economy	Article 37	8.7 Circular Economy 9.2 Data List of Key Performance Indicators
Rural revitalization	Article 39	7.5 Rural Revitalization 9.2 Data List of Key Performance Indicators
Contributions to society	Article 40	7.6 Social Contributions 9.2 Data List of Key Performance Indicators
Innovation-driven	Article 42	3 Innovation-Driven Development
Ethics of science and technology	Article 43	2.3.3 AI Applications and Technology Ethics
Supply chain security	Article 45	5 Supply Chain Security
Equal treatment to small and medium-sized enterprises	Article 46	The Group does not fall under the mandatory disclosure subjects listed in Article 46 of the Guidelines; no disclosure is required for the Reporting Year.
Safety and quality of products and services	Article 47	4 Product and Service Safety & Quality
Data security and customer privacy protection	Article 48	2.4 Data Security and Customer Privacy Protection
Employees	Article 50	6 Employees 9.2 Data List of Key Performance Indicators
Due diligence	Article 52	1.2.2 Due Diligence
Communications with stakeholders	Article 53	1.2.1 Communication with Stakeholders
Anti-commercial bribery and anti-corruption	Article 55	2.3.1 Anti-Commercial Bribery and Anti-Corruption
Anti-unfair competition	Article 56	2.3.2 Anti-Unfair Competition

9.2 Data List of Key Performance Indicators

Sustainability indicator		Unit	2023	2024	2025
1 Environmental [14]					
1.1 Emissions [15]					
Wastewater Discharge		Tonne	12,092,149.0	12,154,327.4	12,157,136.4
Chemical Oxygen Demand (COD_{Cr})		Tonne	995.2	1,070.4	1,173.5
Ammonia Nitrogen		Tonne	113.6	112.9	110.8
VOCs		Tonne	69.0	87.9	93.8
NO_X		Tonne	90.1	147.3	132.6
SO_2		Tonne	34.6	84.8	81.7
Particulates		Tonne	16.0	15.9	14.6
Hazardous and Non-hazardous Waste Generated					
Hazardous Waste		Tonne	6,884.2	5,968.3	16,578.3
Divided by Category	Pharmaceutical Wastes	Tonne	3,792.2	3,247.6	13,263.6
	Other Hazardous Wastes	Tonne	3,092.0	2,720.7	3,314.8
Divided by Disposal Method	Recycled/Reused	Tonne	742.2	727.1	1,846.8
	Landfilled	Tonne	/	/	24.7
	Incineration With Energy Recovery	Tonne	/	/	2,920.1
	Incineration Without Energy Recovery	Tonne	/	/	11,786.7
Intensity of Hazardous Waste		Tonne /RMB 10,000	0.003	0.003	0.010
General Industrial Waste		Tonne	141,539.1	141,807.0	122,765.3
Divided by Disposal Method	Recycled/Reused	Tonne	48,400.0	33,598.9	31,014.7
	Landfilled	Tonne	0/	/	44,219.4
	Incineration With Energy Recovery	Tonne	/	/	40,620.9
	Incineration Without Energy Recovery	Tonne	/	/	6,896.4
	Otherwise disposed	Tonne	/	/	13.9
Intensity of General Industrial Waste		Tonne /RMB 10,000	0.07	0.08	0.08
Greenhouse Gas Emissions [16]					
Total Greenhouse Gas Emissions (Scope1+ Market-based Scope2)		CO_2 equivalent (in tonnes)	1,033,000.9	1,026,672.1	952,308.0
Intensity of Greenhouse Gas Emissions (Scope1+ Market-based Scope2)		CO_2 equivalent (in tonnes)/RMB 10,000	0.5	0.6	0.6
Scope 1 Greenhouse Gas Emissions		CO_2 equivalent (in tonnes)	162,677.0	197,854.4	219,583.0
Scope 2 Greenhouse Gas Emissions – Market-based		CO_2 equivalent (in tonnes)	870,323.9	828,817.7	732,725.0
Scope 2 Greenhouse Gas Emissions – Location-based		CO_2 equivalent (in tonnes)	/	/	816,865.1
Scope 3 Greenhouse Gas Emissions		CO_2 equivalent (in tonnes)	/	/	756,590.8
Category 1 Purchased goods and services		CO_2equivalent (in tonnes)	/	/	244,603.4
Category 2 Capital goods		CO_2 equivalent (in tonnes)	/	/	6,824.2

[14] Scope of environmental data disclosure: the headquarters and production enterprises of Joincare. The intensity in 2025 was calculated based on RMB 10,000 of output value.

[15] Disclosure of major pollutants/emissions and related emission data according to the production characteristics of enterprises. During the Reporting Period, the Group was not subject to any material administrative penalties or criminal liability arising from pollutant emissions, and no material deficiencies were identified in its environmental monitoring programs or risk management measures.

[16] For details on the statistical scope and accounting methodology of greenhouse gas emissions, please refer to the footnotes in Section 8.2.4 "Metrics and Targets" under Section 8.2 "Addressing Climate Change".

Sustainability indicator	Unit	2023	2024	2025
Category 3 Fuel- and energy-related activities	CO_2 equivalent (in tonnes)	/	/	227,814.2
Category 4 Upstream transportation and distribution	CO_2 equivalent (in tonnes)	/	/	13,121.0
Category 5 Waste generated in operations	CO_2 equivalent (in tonnes)	/	/	19,502.8
Category 6 Business travel	CO_2 equivalent (in tonnes)	/	/	3,226.2
Category 7 Employee commuting	CO_2 equivalent (in tonnes)	/	/	51,420.1
Category 8 Upstream leased assets	CO_2 equivalent (in tonnes)	/	/	507.7
Category 9 Downstream transportation and distribution	CO_2 equivalent (in tonnes)	/	/	173.3
Category 10 Processing of sold products	CO_2 equivalent (in tonnes)	/	/	67,324.2
Category 11 Use of sold products	CO_2 equivalent (in tonnes)	/	/	4,619.2
Category 12 End-of-life treatment of sold products	CO_2 equivalent (in tonnes)	/	/	24,994.8
Category 13 Downstream leased assets	CO_2 equivalent (in tonnes)	/	/	318.1
Category 15 Investments	CO_2 equivalent (in tonnes)	/	/	92,141.6
1.2 Resource Use				
Total Energy Consumption				
Non-renewable Energy				
Gasoline	Litre	387,425.5	260,932.4	334,582.9
Diesel	Litre	261,122.8	235,846.7	242,232.2
Coal	Tonne	66,894.5	83,607.5	74,079.6
Natural Gas	10,000 cubic meters	1,093.9	887.5	795.0
Liquefied Petroleum Gas	Tonne	3.7	0.6	0.4
Purchased Steam	Tonne	1,605,949.6	973,876.7	1,015,365.6
Purchased Electricity	MWh	989,071.4	1,000,133.8	751,661.1
Non-renewable Energy Consumption	MWh	2,288,045.4	2,346,951.1	2,059,565.9

Sustainability indicator	Unit	2023	2024	2025
Renewable Energy				
Green Electricity [17]	MWh	/	/	251,274.7
Biomass Fuels	Tonne	1,004.0	3,668.3	3,965.0
Renewable Energy Consumption	MWh	5,708.2	17,809.1	283,536.6
Energy Consumption				
Direct Energy Consumption	Tons of Coal Equivalent	62,255.6	73,957.9	68,284.6
Indirect Energy Consumption	Tons of Coal Equivalent	219,646.8	216,671.2	219,682.7
Total Energy Consumption	Tons of Coal Equivalent	281,902.4	290,629.1	287,967.3
Intensity of Total Energy Consumption	Tons of Coal Equivalent / RMB 10,000	0.1	0.2	0.2
Water Consumption				
Total Water Withdrawal	10,000 tonnes	1,426.5	1,388.6	1,378.3
Intensity of Total Water Withdrawal	Tonne /RMB 10,000	7.1	8.1	8.7
Total Net Water Consumption	10,000 tonnes	217.3	173.1	162.6
Recycled Water Volume	10,000 tonnes	9.2	11.0	15.7
Packaging Material Used				
Renewable Packaging Material Used	Tonne	/	/	7,909.4
Non-renewable Packaging Material Used	Tonne	/	/	8,662.8
Proportion of Renewable Packaging Material Used	%	/	/	47.7
Total Packaging Material Used	Tonne	9,236.3	14,133.1	16,572.2
Intensity of Packaging Material Used	Tonne/RMB 10,000	0.005	0.008	0.010

[17] Green electricity encompasses the solar power self-generated and self-consumed through the Group's own photovoltaic (PV) installations, as well as solar and wind power procured through other means such as green electricity certificates and third-party-invested photovoltaic projects.

Sustainability indicator		Unit	2023	2024	2025
2. Social Responsibility					
2.1 Employment					
Number of Employees: By Gender, Age Group, Geographical Region and Job Level					
Number of Employees		Person	14,365	14,350	13,575
Gender	Male	Person	7,788	7,718	7,428
	Female	Person	6,577	6,632	6,147
Age	30 and below	Person	4,900	4,678	4,126
	31-49	Person	8,536	8,590	8,433
	50 and above	Person	929	1,082	1,016
Geographical Region	Chinese Mainland	Person	14,348	14,339	13,552
	Hong Kong, Macao and Taiwan, China	Person	5	2	3
	Foreigners	Person	12	9	20
Job Level	President and Vice President (Executive Management)	Person	12	16	15
	General Manager Level and above (Senior Management)	Person	107	119	118
	Director Level	Person	252	264	265
	Manager Level	Person	1,143	1,185	1,183
	Other Employees	Person	12,863	12,782	12,009
Diversity of Employees					
Number of Women in Executive Management		Person	2	4	4
Share of Women in Executive Positions		%	16.7	25.0	21.4
Number of Women in Senior Management		Person	31	34	30
Share of Women in Senior Management Positions		%	29.0	28.6	25.4
Share of Women in Management Positions		%	35.4	37.0	38.1
Share of Women in Management Positions in Revenue-generating Functions		%	27.5	31.6	33.7
Share of Women in STEM-related Positions		%	53.7	51.9	52.8
Number of Ethnic Minority Employees [18]		Person	789	807	702
Hiring					
Total Number of New Employee Hires		Person	3,999	3,105	2,155
Number of New Employee Hires by Gender and Age Group					
Gender	Male	Person	2,371	1,734	1,302
	Female	Person	1,628	1,371	853
Age	30 and below	Person	2,434	1,874	1,287
	31-49	Person	1,546	1,221	862
	50 and above	Person	19	10	6
Percentage of Open Positions Filled by Internal Candidates (Internal Hires)		%	18.9	28.2	36.4
Percentage of Internal Hires by Gender and Age Group					
Gender	Male	%	55.7	57.8	60.1
	Female	%	44.3	42.2	39.9
Age	30 and below	%	34.1	36.7	35.0
	31-49	%	62.8	58.5	61.6
	50 and above	%	3.1	4.8	3.4
Group's Turnover Rate [19]					
Overall Employee Turnover Rate		%	12	10	10
Including: Voluntary Employee Turnover Rate		%	12	10	10
Employee Turnover Rate by Gender, Age Group					
Gender	Male	%	11	10	9
	Female	%	14	10	10

[18] Among ethnic minority employees at Joincare, the top three ethnic groups are Hui (1.83%), Zhuang (1.01%), and Tujia (0.49%). Among management, the proportions of Hui, Zhuang, and Tujia are 0.64%, 0.64%, and 0.45%, respectively.

[19] To better reflect the actual situation of the Group's human resource management and ensure consistency between internal management and external disclosure, the turnover rate calculation directly adopts the methodology used by the Group's human resource management, whereby employee turnover is defined as voluntary resignations of regular employees.

Sustainability indicator		Unit	2023	2024	2025
Age	30 and below	%	16	14	14
	31-49	%	10	7	8
	50 and above	%	4	3	2
Employee Engagement Survey					
Employee Engagement		%	90	90	90

2.2 Health and Safety

Number of Work-related Injuries					
Number of Work-related Fatalities - Employees		Person	0	0	0
Days Lost due to Work-related Injuries - Employees		Day	98	781.5	505
Lost-Time Injury Frequency Rate (LTIFR) - Employees		Number of Injuries/Million Hours Worked	0.16	0.37	0.44
Number of Work-related Fatalities - Contractors		Person	0	0	0
Days Lost due to Work-related Injuries - Contractors		Day	0	0	0
Lost-Time Injury Frequency Rate (LTIFR) - Contractors		Number of Injuries/Million Hours of Works	0	0	0

2.3 Training and Development

Total Training Percentage for Employees		%	100	99	100
Total Training Hours for Employees		Hour	975,834	1,345,002	1,254,403
Training Hours for Male Employees		Hour	531,945	728,915	686,241
Training Hours for Female Employees		Hour	443,889	616,087	568,162
Average Training Hours per Employee		Hour/Person	67.9	94.7	92.4
Average Training Hours per Employee by Gender and Age Group					
Gender	Male	Hour/Person	68.3	95.4	92.4
	Female	Hour/Person	67.5	93.8	92.4
Age	30 and below	Hour/Person	85.2	123.7	125.0
	31-49	Hour/Person	58.5	79.1	75.9
	50 and above	Hour/Person	63.5	91.9	96.7
Average Training Hours of Employees in Management Training		Hour/Person	19.0	19.6	15.5
Average Training Hours of Employees in Leadership Training		Hour/Person	27.3	23.1	7.8
Average Amount Spent per Employee on Training		RMB/Person	406.9	336.2	597.8

2.4 Product Responsibility

Percentage of Total Products Sold or Shipped Subject to Recalls for Safety and Health Reasons				
Percentage of Such Products to Total Products Sold /Shipped	%	0	0	0
Number of Products-and-service-related Complaints Received				
Product-related Complaints	Time	147	108	50
Medication Queries [20]	Time	17	5,221	52,143

2.5 Business Ethics

Number of Brought and Concluded Legal Cases Regarding Corrupt Practices	Case	0	0	0
Number of Breaches on Conflicts of Interest	Case	0	0	0
Number of Breaches on Money Laundering or Insider trading	Case	0	0	0
Number of Breaches on Customer Privacy Data	Case	0	0	0
Number of Breaches on Discrimination or Harassment	Case	0	0	0

2.6 Public Welfare Projects

Resource Contributed to the Focus Areas				
Financial Donation	RMB 10,000	1,976.2	1,195.7	3,457.4
Value of Donated Goods	RMB 10,000	622.3	208.6	383.6
Investment in Rural Revitalization	RMB 10,000	196.1	222.3	301.7

[20] The purpose of medication consultation is to ensure that patients can use medications safely and effectively, while improving patient medication satisfaction and quality of life. Beginning in 2024, the Group adjusted and optimized the statistical methodology for medication consultation tracking. In 2025, due to increased sales and market attention for certain products, consultation volumes across both online and offline channels—including expert free clinics and health education livestreams—have significantly increased.

9.3 Assurance Statement

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By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: SRA 842370

Joincare Pharmaceutical Group Industry Co., Ltd.

2025 Sustainability Report

The British Standards Institution is independent of Joincare Pharmaceutical Group Industry Co., Ltd. and its subsidiaries (hereinafter referred to as "Joincare" collectively in this statement) and has no financial interest in the operation of Joincare other than for the assessment and assurance of Joincare 2025 Sustainability Report (the "Report").

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of the Report presented by Joincare. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and adequate.

Scope

The scope of engagement agreed upon with Joincare includes the following:

1. The assurance scope is consistent with the description of the Report. The Report is prepared in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), Corporate Sustainability Disclosure Standards – Basic Standards (Trial), with reference to the Recommendations of the HKEX Environmental, Social and Governance Reporting Code.
2. In accordance with Type 2 Moderate Level of Assurance as defined in the AA1000 Assurance Standard V3 ("AA1000AS V3"), BSI evaluates the nature and extent of Joincare' adherence to the four reporting principles of Inclusivity, Materiality, Responsiveness and Impact in preparing the Report. The reliability of specified sustainability performance information and data disclosed in the Report has also been evaluated.

Opinion Statement

We conclude that the Report provides a fair view of Joincare' sustainability plan and performance in the reporting year. The Report subject to assurance is free from material misstatement based upon evaluation within the limitations of the scope of the assurance, the information and data provided by Joincare and the samples taken. Based on our work carried out during the assurance process, we believe that data and information stated in the Reporting Organization's Report is correctly presented and that Inclusivity, Materiality, Responsiveness and Impact based on AA1000 criteria are correctly addressed. We believe that the environmental, social and governance general disclosures and key performance indicators are fairly represented in the Report, in which Joincare' efforts to pursue sustainable development are recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS V3. We planned and performed this part of our work to obtain the necessary information and explanations. We consider that the Joincare company's report complies with the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Reports (Trial), Corporate Sustainability Disclosure Standards – Basic Standards (Trial), and that the report may be considered to comply with the principles set out in the AA1000 Accountability Principles (2018) ('AA1000AP (2018)').

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Issue Date: 2026-04-15 Effective Date: 2026-04-15

Statement No: SRA 842370

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to Joincare' policies to provide a check on the appropriateness of statements made in the Report.
- Discussion with staff on Joincare' approach to stakeholder engagement. We had no direct contact with external stakeholders during this assurance process.
- Interview with staff involved in ESG management, report preparation and provision of report information.
- Review of key organizational developments.
- Review of supporting evidence for claims made in the Report, and
- An assessment of Joincare' reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A review of the Report issued by Joincare against the AA1000AS V3 principles of Inclusivity, Materiality, Responsiveness and Impact, as well as the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), Corporate Sustainability Disclosure Standards – Basic Standards (Trial) is set out below:

Based on the procedures performed and evidence obtained, we believe that data and information stated in the Reporting Organization's Report is correctly presented and that Inclusivity, Materiality, Responsiveness and Impact based on AA1000 criteria are correctly addressed.

Although BSI reviews all 2025 Environmental, Social and Governance (ESG) data indicators within our Sustainability Data Transparency Index ("SDTI") as part of our assurance process, specific attention and further review was paid to the following data points:

Chapter	Indicator Details
1 Sustainability Management	Stakeholder Identification and Communication, Materiality Assessment Process and Results
5 Supply Chain Security	Total number of unique suppliers
5 Supply Chain Security	Number of unique significant suppliers
5 Supply Chain Security	Number of unique significant suppliers supported with development measures
5 Supply Chain Security	Number of unique significant suppliers assessed via desk assessments/on-site assessments
5 Supply Chain Security	Number of unique significant suppliers assessed with substantial actual/potential negative impacts
8 Green Operations, 9 Appendix	Scope 1 Greenhouse Gas Emissions
8 Green Operations, 9 Appendix	Scope 2 Greenhouse Gas Emissions – Market-Based
8 Green Operations, 9 Appendix	Scope 2 Greenhouse Gas Emissions – Location-Based
8 Green Operations, 9 Appendix	Scope 3 Greenhouse Gas Emissions
9 Appendix	Scope 3 Category 1: Purchased Goods and Services
9 Appendix	Scope 3 Category 2: Capital Goods
9 Appendix	Scope 3 Category 3: Fuel and Energy-Related Activities
9 Appendix	Scope 3 Category 4: Upstream Transportation and Distribution
9 Appendix	Scope 3 Category 5: Waste Generated in Operations
9 Appendix	Scope 3 Category 6: Business Travel
9 Appendix	Scope 3 Category 7: Employee Commuting
9 Appendix	Scope 3 Category 8: Upstream Leased Assets
9 Appendix	Scope 3 Category 9: Downstream Transportation and Distribution
9 Appendix	Scope 3 Category 10: Processing of Sold Products
9 Appendix	Scope 3 Category 11: Use of Sold Products
9 Appendix	Scope 3 Category 12: End-of-Life Treatment of Sold Products
9 Appendix	Scope 3 Category 13: Downstream Leased Assets
9 Appendix	Scope 3 Category 15: Investments
9 Appendix	Non-Renewable Energy Consumption
9 Appendix	Renewable Energy Consumption
9 Appendix	Hazardous Waste – Recycled / Reused
9 Appendix	Hazardous Waste – Landfilled
9 Appendix	Hazardous Waste – Incinerated with Energy Recovery
9 Appendix	Hazardous Waste – Incinerated without Energy Recovery
9 Appendix	General Industrial Waste –Recycled / Reused
9 Appendix	General Industrial Waste – Landfilled
9 Appendix	General Industrial Waste – Incinerated with Energy Recovery
9 Appendix	General Industrial Waste – Incinerated without Energy Recovery
9 Appendix	General Industrial Waste – Other Disposal
9 Appendix	Total Water Withdrawal
9 Appendix	Wastewater Discharge
9 Appendix	Total Net Water Consumption
9 Appendix	Number of Work-Related Fatalities - Employees
9 Appendix	Number of Work-Related Fatalities - Contractors
9 Appendix	Lost-Time Injury Frequency Rate (LTIFR) - Employees
9 Appendix	Lost-Time Injury Frequency Rate (LTIFR) - Contractors

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We considered Joincare has provided sufficient evidence that its self-declaration of compliance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), Corporate Sustainability Disclosure Standards – Basic Standards (Trial), and has taken into account the HKEX Environmental, Social and Governance Reporting Code, and the Report is considered acceptable in meeting the principles as set out in AA1000AP (2018).

Assurance Level

The Type 2 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this statement.

Responsibilities

It is the responsibility of Joincare' senior management to ensure that the information being presented in the Report is accurate. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Ability and Independence

The assurance team was composed of Lead Assuror and Assuror, who are experienced in the industrial sector, and trained in a range of sustainability, environmental and social standards including GRI Series Standards, AA1000, HKEX Environmental, Social and Governance Reporting Code, ISO 14064, ISO 14001, ISO 50001, ISO 45001, ISO 9001, etc.

British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Michael Lam, Senior Vice President, APAC Assurance

Verifier of the Report:

Team Leader: Pengyu Chen

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