

Suzhou Dongshan Precision Manufacturing Co., Ltd.

2024 Environmental, Social, and Governance (ESG) Report



April 2025

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Note:

This document is a translated version of the Chinese ESG Report 2024 ("2024 年 ESG 报告"). In case of any discrepancies, the ESG Report 2024 published in the Chinese version shall prevail. The full Chinese ESG Report 2024 is available at www.cninfo.com.cn.

Report Preparation Instructions

The 2024 Environmental, Social and Governance Report of Suzhou Dongshan Precision Manufacturing Co., Ltd. (the “Report”) aims to disclose the Company’s philosophy, management practices, and key performance in sustainable development to stakeholders, responding to stakeholders’ expectations and concerns adequately.

Scope and Boundaries of the Report

The Report mainly discloses information and key performance of Suzhou Dongshan Precision Manufacturing Co., Ltd. and its branches and subsidiaries in fulfilling environmental, social, and governance responsibilities in 2024. Unless otherwise specified for certain information, the policies, statements, and data in the Report cover the actual business scope of Suzhou Dongshan Precision Manufacturing Co., Ltd. and its branches and subsidiaries, which are consistent with those in the annual report.

Reference in the Report

For ease of presentation and reading, DSBJ and its branches and subsidiaries are referred to by the abbreviations listed in the table below throughout the Report.

Company name	Abbreviation
Suzhou Dongshan Precision Manufacturing Co., Ltd.	DSBJ, the Company, we, us or our
Multi-Fineline Electronix, Inc.	MFLEX
Multek Group (Hong Kong) Limited	Multek
MFLEX Suzhou Co.,Ltd.	MFLEX Suzhou
MFLEX Yancheng Co.,Ltd.	MFLEX Yancheng
Multek Industries Ltd.	Multek Industries
Multek Electronics Ltd.	Multek Electronics
Multek Technology (Zhuhai) Co., Ltd.	Multek Technology
Suzhou Dongyue New Energy Technology Co., Ltd.	Suzhou Dongyue
Multek China Ltd.	Multek China

Yancheng Dongshan Precision Manufacturing Co., Ltd.	Yancheng Dongshan
Yancheng Mutto Optronics Technology Co., Ltd.	Mutto Optronics
Suzhou Rf Top Electronic Communication Co., Ltd.	Rf Top Electronic
DSBJ Pte.Ltd. (DSBJ Singapore)	DSG
Suzhou JDI Electronics Inc	JDI Electronics
Suzhou Chengjia Precision Manufacturing Co., Ltd.	Suzhou Chengjia
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Dongguan Dongshan
Yancheng Dongchuang Precision Manufacturing Co., Ltd.	Yancheng Dongchuang
Suzhou Yongchuang Communication Technology Co., Ltd.	Yongchuang Technology

Reporting Period

The period is from January 1, 2024, to December 31, 2024, and extends appropriately to previous and subsequent years.

Basis for Preparation

GRI Sustainability Reporting Standards (GRI Standards) from Global Sustainability Standards Board; *Guidelines No.17 on Self-Regulation of Listed Companies – Sustainability Report (Trial)* from Shenzhen Stock Exchange (SZSE); *Guidelines No.3 on Self-Regulation of Listed Companies – Preparation of Sustainability Report* from Shenzhen Stock Exchange (SZSE); *ISO 26000: Guidelines on Social Responsibility (2010)* from the International Organization for Standardization; and Sustainable Development Goals of the United Nations (SDGs).

Principles for Preparation

This Report is subject to the following four principles, namely, “Materiality”, “Impartiality”, “Quantification”, and “Consistency”.

- **Materiality.** The Company conducts a materiality assessment to identify and evaluate ESG topics that are material to our business, internal and external stakeholders to focus the Report on relevant disclosure. For a more detailed materiality assessment process and results, please refer to the “Sustainable Development Management” section of the Report.
- **Impartiality.** The content of the Report reflects objective facts, providing unbiased disclosure

of both positive and negative information related to the Company, and impartially stating the Company's efforts across various aspects of ESG. During the reporting period, we have identified no significant negative events with a material impact that should have been disclosed.

- **Quantification.** In this Report, the Company discloses ESG quantitative performance indicators and establishes quantitative performance targets where applicable. The measurement standards, methods, assumptions, and/or calculation tools for key performance indicators in this Report, as well as the sources of conversion factors used, have been explained in the respective sections, where applicable.
- **Consistency.** This Report maintains consistency in the statistical and disclosure methods of the same indicators across different reporting periods. Any changes in statistical and disclosure methods will be fully explained in the report notes, facilitating meaningful analysis and evaluation by related parties.

Source of Information

All information data used in this Report are derived from the Company's official documents, statistical reports, financial reports, and information summarized and reviewed by the Company's responsible management department. In case of any discrepancies between the relevant financial data and the Company's annual report, the annual report shall prevail. Unless otherwise specified, the currency amounts mentioned in this Report are denominated in Renminbi (RMB).

Reliability Assurance

The Company undertakes that the content of this Report contains no false records, misleading statements, or major omissions, and the Company is responsible for the truthfulness and accuracy of the content.

Access to the Report

Welcome to visit the Company's official website at www.dsbj.com to access the electronic version of the Report.

Message from the CEO

Looking back at the past and focusing on the present. Over the decades, ESG has gradually become a common language for all humanity. It connects every soul that loves the Earth and pursues dreams, creating more opportunities for connection and cooperation among people on this global stage. Therefore, everyone is able to rise to the challenges deliberately and embrace life freely. In the business field, ESG has emerged as an important force driving industrial transformation and advancing global sustainable development.

DSBJ always adheres to the corporate spirit of “Breakthrough, Diversity, Simplicity and Journey” Our industrial presence continues to expand, from communication device components to precision components for consumer electronics and core components for new energy vehicles. Every growth and breakthrough is inseparable from our dedication to our original intention, which is to uphold long-term strategic thinking, value both economic and social benefits of consistency, and integrate sustainable development concepts into corporate operations. We continue to deepen our work in the social responsibility field and have achieved outstanding performance. Today, our products and services have been sold to 48 countries and regions around the world.

Amid steady growth in assets and revenue, we pay more attention to prudent operations and actively make strategic investments in the green industry. Through enhanced governance, low-carbon practices, and resource optimization, we collaborate with stakeholders to deeply empower the whole industry chain, and promote sustainable development in the industry. On one hand, we deploy digitalized and intelligent factories to streamline production processes and improve energy efficiency; on the other hand, we actively delve into the upstream industry chain to strengthen the Company’s ESG management across the entire value chain, thereby ensuring efficient and reliable product solutions along with perfect product delivery. We also actively embrace the trend of artificial intelligence development to fully promote the application of AI technology aligned with demand-driven outcomes in smart manufacturing scenarios.

In addition, the Company has always attached great importance to the interests of customers, employees, society, and other stakeholders, effectively fulfilling its corporate social responsibilities

and promoting the co-creation of social value. Our commitment remains unchanged.

Despite new changes in the global manufacturing industry, we firmly believe that today's efforts will yield extraordinary achievements. DSBJ remains steadfast in its responsibilities and missions. We pledge to contribute all our strength to advancing green transitions, fostering industry excellence, and fulfilling social responsibility.

Director and CEO of DSBJ

SHAN Jianbin

About DSBJ

Headquartered in Suzhou, Jiangsu Province, Suzhou Dongshan Precision Manufacturing Co., Ltd (stock code: 002384.SZ) is committed to developing into a core component supplier for intelligent interconnection and global connectivity. With the mission of “building a better connected world for tomorrow”, and the vision of “building a 100-billion advanced and intelligent manufacturing platform”, the Company has gradually formed three major segments, namely, electronic circuit, photoelectric display, and precision manufacturing, by expanding and optimizing its main businesses through internal development and external acquisition. In the field of electronic circuits, according to the research report data from Prismark, the Company has ranked second in flexible printed circuit boards (FPC) and third in printed circuit boards (PCB) globally in terms of revenue for several consecutive years. In 2024, the Company was ranked 399th among the top 500 private enterprises in China and 270th among the top 500 private manufacturing enterprises in China, boasting over 70 wholly-owned, holding and equity-invested companies.

Leveraging its excellent technological innovation capabilities and forward-looking global layout, the Company has been exploring and innovating steadfastly. We have established a dual-wheel drive strategy with consumer electronics and new energy as the two core tracks, seizing the new market opportunity brought by new energy while continuously improving the quality and efficiency of the consumer electronics business. We also continuously deepen our efforts in emerging market sectors to provide comprehensive solutions and empowerment services to global customers. In the future, we will adopt a more open posture to accelerate the advancement of intelligent manufacturing to a higher level, driving industrial chain upgrades through technological empowerment to lead innovative development in the industry.



Annual Revenue: RMB 36.77 billion; Business Presence: 48 countries and regions worldwide.

Electronic circuit	<p>The Company is dedicated to providing comprehensive electronic circuit(PCB) products and services for industry-leading customers. We offer our customers one-stop solutions involving design, R&D, and manufacturing of electronic circuit (PCB) products according to customized requirements for different downstream end products. Our products are widely used in mobile phones, computers, AR/VR, wearable devices, servers, communication equipment, new energy vehicles and energy storage, industrial control equipment, AI hardware, etc.</p>
Photoelectric display	<p>The Company is a well-known manufacturer of touch display modules and LED display components in the industry. Among our products, the touch panel products are mainly used in the medium and large-size display field, including products such as laptops, tablets, smart home, and on-board displays; the LCM products are mainly used in the small and medium-size display field, including products like smartphones and tablets; and the LED products are widely used in indoor and outdoor small-pitch high-definition display screens. The Company is actively expanding the application of photoelectric display products in the vehicle domain.</p>
Precision manufacturing	<p>The Company mainly provides precision metal structural parts and components for customers in the new energy vehicles, energy storage, and communication equipment fields. The main products include functional structural parts for new energy vehicles, such as heat sinks, domain control/electronic control housings, body-in-white, battery structural parts, etc., and structural parts and components for mobile communication base stations, such as antennas, filters, etc.</p>

Sustainable Development Governance

Framework of Sustainable Development Governance

In order to better integrate sustainable development demands with the Company's development strategies and operation and management activities, DSBJ continuously improves its environmental, social, and corporate governance systems. The Company has clarified management concepts and principles, authority scope, work tasks, decision-making processes, and parliamentary procedures, incorporating sustainable development management into the Company's governance framework, thereby establishing a sustainable development management system covering the Board of Directors, management, functional departments, and business segments. The Company has continuously enhanced its risk control and value creation capabilities in the sustainable development aspect.

The Company's Board of Directors is the highest authority and decision-making body responsible for managing economic, environmental, and social topics. The professional skills and capabilities of the Board of Directors in supervising ESG-related impacts, risks, and opportunities are detailed in the "Corporate Governance/Diversified Structure of the Board of Directors" chapter of this Report. The Board of Directors authorizes the operating management to establish an ESG management organizational structure at three levels, including the Sustainable Development Administration Committee, the Sustainable Development Administration Office, and the ESG Working Group. The Sustainable Development Administration Committee, as the executive body for ESG management, is responsible for assessing and managing ESG opportunities and risks, determining the materiality of ESG issues and incorporating them into business considerations, establishing ESG strategies, goal plans, and regular reviews, supervising and guiding the implementation of ESG topics by the Company, etc. The Sustainable Development Administration Office, as the coordinating body for ESG management, is mainly responsible for daily communication and conference organization between the Sustainable Development Administration Committee and the ESG Working Group, the coordination and promotion of ESG topic management and implementation, as well as ESG-related information disclosure, etc. The ESG Working Group, as the specific executive body for ESG work, is mainly responsible for promoting the implementation and execution of ESG topics. The performance of relevant departments is linked to

ESG performance indicators, and reward and penalty measures will be implemented according to the results of annual assessments.

During the reporting period, the Company deliberated major ESG issues such as materiality assessment and achievement of goals on ESG issues while organizing multiple ESG-specific training sessions to enhance employees' understanding of the Company's ESG management strategies and related work, thereby better promoting the implementation of ESG efforts.

Framework of Sustainable Development Governance

Governance/Supervision	Board of Directors	<ul style="list-style-type: none"> Participate in the deliberation and decision-making of major ESG issues of the Company
Management	Sustainable Development Administration Committee	<ul style="list-style-type: none"> Identify, assess and manage ESG risk opportunities Determine the materiality of ESG issues and incorporate them into business considerations Deliberate and approve the Company's ESG-related strategies, policies, and systems, objectives, plans, and programs, etc Evaluate overall ESG performance and provide recommendations
	Sustainable Development Administration Office	<ul style="list-style-type: none"> Coordinate the management and implementation of ESG issues Coordinate ESG-related information disclosure
Execution Level	ESG Working Group	<ul style="list-style-type: none"> Conduct centralized management of various ESG topics and promote relative strategy development, daily management and implementation Monitor the implementation of ESG topics and report information on a regular basis

Sustainable Development Strategy

Under the mission of “building a better connected world for tomorrow”, DSBJ integrates sustainable development with the Company’s strategies and aligns with the United Nations sustainable development goals (SDGs) and industry development trends to systematically plan the Company’s sustainable development pathway. By actively managing identified ESG impacts, risks, and opportunities, the Company is embarking on a new journey towards high-quality development and green transformation.



Communication with Stakeholders

Attaching importance to the expectations and demands of various stakeholders, DSBJ has established a smooth communication mechanism for all stakeholders, under which we conduct regular communication with stakeholders and respond to them with an open attitude, thereby establishing long-term cooperative relationships with all parties based on mutual trust.

Key stakeholders	Expectations and demands	Communication method
Government and regulatory agencies	<ul style="list-style-type: none"> Compliance and risk management Business ethics and anti-corruption Serving national major 	<ul style="list-style-type: none"> Special meetings or reports Policy consultation feedback Official visit Compliance regulatory inspections

Key stakeholders	Expectations and demands	Communication method
	strategies • Support local development	
Shareholders and investors	• Sustainable and stable returns • Information transparency • Investor relations management	• Information disclosure • General Meeting of Shareholders • Financial reports and interim announcements • Investor surveys, hotlines, online Q&A, etc. • Performance presentation meeting and other communication activities
Employee	• Employee rights protection (including occupational health and safety) • Employee training and development	• Trade unions and workers' congress • Employee training, activities, and communication • Internal information exchange platform • Employee complaint channel
Customer	• Product quality and safety • Product and service innovation • Business continuity • Information and data security	• Customer relationship management • Customer review • Customer satisfaction survey
Suppliers and partners	• Sustainable supply chain • Responsible mining • Industry collaboration and development	• Supply chain audit • Open cooperation • Communication • Industry exchange conference
Community and public	• Product quality and safety • Environmental impact management • Public welfare and charity • Community communication and	• Media interaction • Information disclosure • Charitable projects • Volunteer activities

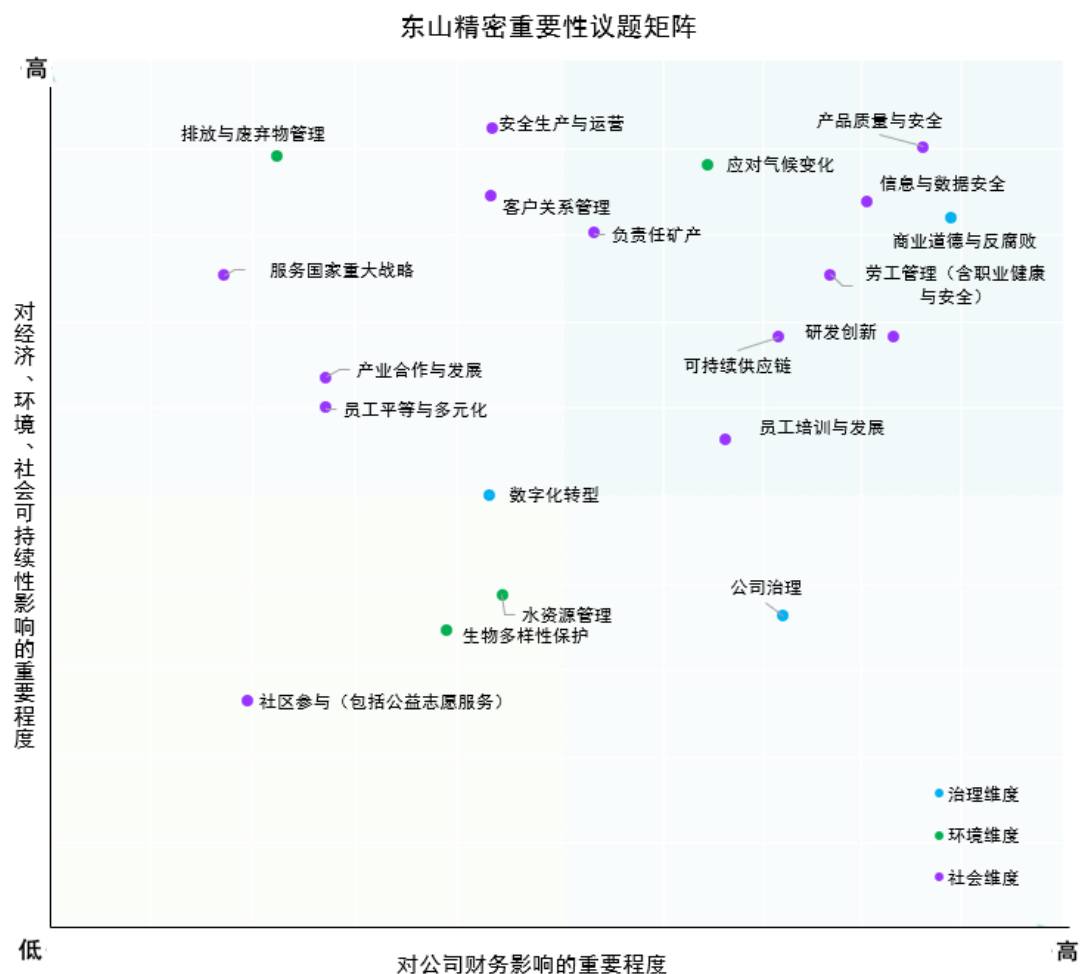
Key stakeholders	Expectations and demands	Communication method
	development	

Materiality Analysis

Materiality analysis helps enterprises identify and assess potential risks, providing support for decision-making and management. In 2024, DSBJ updated its analysis methods according to the latest disclosure standards, including but not limited to the *GRI Sustainable Development Reporting Standards* (GRI Standards), the *International Financial Reporting Standard on Sustainability Disclosure 1 - General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1), and the *Guidelines No.17 on Self-Regulation of Listed Companies – Sustainability Report (Trial)* from Shenzhen Stock Exchange. This update involved research and assessment from two dimensions: “Impact Materiality” (the materiality of impacts on economic, environmental, and social sustainability) and “Financial Materiality” (the materiality of impacts on the Company’s finances). Through the research and assessment, we comprehensively reviewed various concerns and their financial impacts on the Company, selected ESG key topics with high impacts that would be highlighted in the report, and continuously improved ESG management to better meet stakeholders expectations and demands.

Identification of ESG topics	We compile a list of ESG topics based on the analysis of internal and external development trends to identify important general and industry-specific topics, in which the materials we used for reference include authoritative domestic and international sustainability reporting guidelines and standards, mainstream domestic and international ESG rating systems, sustainable development topics focused by industry peers and issues of common concern for internal and external stakeholders.
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Research among stakeholders	We conduct research on topics among internal and external key stakeholders under the principle of “double materiality”, where we build the 2024 materiality topic matrix through the “Impact Materiality Assessment” and the “Financial Materiality Assessment”, so as to determine this year’s materiality topics and their priorities.
Topic determination and disclosure	The Company’s Sustainable Development Administration Committee determines the ESG topics of high importance by reviewing the screening and analysis results with reference to suggestions from internal management and external experts. Key information on materiality topics will be highlighted in this Report, such as their governance, strategy, risk and opportunity management, Indicators and Targets, etc.



Material topics matrix of DSBJ	Environmental protection of biodiversity
Importance of impact on economic, environmental, and social sustainability	Community engagement (including public voluntary service)
Importance of impact on the Company's finances	Safety production and operation
Governance dimension	Customer relationship management
Environment dimension	Responsible mining
Society dimension	Sustainable supply chain
Low	Employee training and development
High	Addressing climate change
Emissions and waste management	R&D and innovation
Serving national major strategies	Product quality and safety
Industry collaboration and development	Information and data security
Employee equality and diversity	Business ethics and anti-corruption
Digital transformation	Labor Management (including occupational health and safety)
Water resource management	Corporate governance

● **Analysis on Impact, Risk and Opportunity of Materiality Topics**

Materiality Topics	Scope of Impact			Impacted Cycle			Risk and Opportunity	Impact Level	Report Location
	Upstream	Operation	Downstream	Short-term	Mid-term	Long-term			
Product quality and safety	√	√	√	√	√	√	<ul style="list-style-type: none"> There are risks related to design and research and development, production and process, as well as regulatory and compliance risks. If the Company fails to respond effectively, it may face regulatory penalties, entry restrictions, and a decline in market trust. We will increase customer trust, enhance market share, and gain competitive advantages by implementing high standards of safety and quality practices. 	Negative impact: Very important; Positive impact: Very important	3.2 Quality Priority
Business ethics and anti-corruption	√	√	√	√	√	√	<ul style="list-style-type: none"> Commercial bribery and corruption incidents may bring significant impacts on the Company's economic costs, legal consequences, operational risks, and goodwill. Anti-bribery and anti-corruption work helps enterprises establish sound internal management 	Negative impact: Very important; Positive impact:	1.2 Business ethics and anti-corruption

Materiality Topics	Scope of Impact			Impacted Cycle			Risk and Opportunity	Impact Level	Report Location
	Upstream	Operation	Downstream	Short-term	Mid-term	Long-term			
							systems and processes, optimize internal management, and improve management efficiency and transparency.	Generally important	
R&D and innovation		√	√	√	√	√	<ul style="list-style-type: none"> Investment in research and development may bring higher and unpredictable financial returns due to technological risks, policy and regulatory risks, market competition risks, and internationalization challenges; Fostering new quality productive forces through technological innovation and forward planning is conducive to maintaining long-term market competitiveness. 	Negative impact: Generally important; Positive impact: Very important	3.1 Driven by Innovation
Information security and privacy protection	√	√	√	√	√	√	<ul style="list-style-type: none"> There are multidimensional risks such as technological risks, human risks, and management and operational risks. Improper management of key data and customer privacy will lead to data breaches, resulting in compliance risks or reputational damage, which in turn lowers customer trust; By safeguarding data security, we can enhance the 	Negative impact: Very important; Positive impact: Generally	1.4 Information security and privacy management

Materiality Topics	Scope of Impact			Impacted Cycle			Risk and Opportunity	Impact Level	Report Location
	Upstream	Operation	Downstream	Short-term	Mid-term	Long-term			
							confidence of our international customers to cooperate and develop more high-end markets.	important	
Labor management (including occupational health and safety)	√	√		√	√		<ul style="list-style-type: none"> Improper management of labor and human rights issues such as forced labor, discriminatory practices, and occupational health and safety in supply chain management and company operations may lead to compliance risks, reputational damage, and employee turnover. 	Negative impact: Very important; Positive impact: Generally important	5.1 Management of labor and human rights issues
Human capital development		√		√	√	√	<ul style="list-style-type: none"> Issues in human capital development, such as insufficient employee training and development, improper performance management, and organizational culture risks, may lead to risks related to strategic and organizational change as well as talent loss risks; A comprehensive employee learning and development and talent cultivation system will strongly support the achievement of the Company's 	Negative impact: Generally important; Positive impact: Very important	5.2 Human capital development

Materiality Topics	Scope of Impact			Impacted Cycle			Risk and Opportunity	Impact Level	Report Location
	Upstream	Operation	Downstream	Short-term	Mid-term	Long-term			
							strategic goals, enhance the Company's brand and market competitiveness, and contribute to the Company's long-term and stable development.		
Addressing climate change	√	√	√	√	√	√	<ul style="list-style-type: none"> Physical risks and transition risks arising from climate change may result in loss of owned assets, increased costs due to supply chain disruptions, and changes in market preferences affecting product strategies; We may discover new business directions and form new product solutions in the green transition and market demand changes caused by climate change; we may yield a stable power supply and energy-saving benefits through enhanced energy management. 	Negative impact: Important; Positive impact: Important	4.2 Addressing climate change
Sustainable supply chain	√	√		√	√	√	<ul style="list-style-type: none"> Risks in the supply chain quality, supply, compliance, and ESG issues may lead to shortages of raw materials, business disruptions, cost increases, and delivery delays, thereby affecting business continuity and market competitiveness; Strengthening sustainable supply chain construction 	Negative impact: Very important; Positive impact:	2. Collaboration for mutual benefit to build a sustainable supply chain

Materiality Topics	Scope of Impact			Impacted Cycle			Risk and Opportunity	Impact Level	Report Location
	Upstream	Operation	Downstream	Short-term	Mid-term	Long-term			
							can enhance supply chain resilience, ensure business continuity, reduce operational costs, strengthen market competitiveness, and attract long-term investors. Additionally, enhancing supply chain collaboration can promote the application of new technologies and the Company's transformation and upgrade.	Very important	
Responsible mining	√	√		√	√		<ul style="list-style-type: none"> If mineral sources do not meet responsible sourcing standards, particularly minerals such as tantalum, tin, tungsten, and gold (3TG), it may result in compliance risks, reputational damage, customer losses, and even supply chain disruptions. 	Negative impact: Very important; Positive impact: Generally important	

1. Excellent Governance for Moving Towards a New Journey of High-Quality Development

Sustainable Development Goals (SDGs) of the United Nations



1.1 Corporate Governance

1.1.1 Standardized Governance

In strict accordance with the requirements of laws, regulations, and normative documents, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines No. 1 on Self-regulatory Supervision for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board*, the *Code of Corporate Governance for Listed Companies*, the Company has established a complete legal governance structure and modern organizational management system. We have formed a governance system and mechanism with a clear division of powers and responsibilities among the power, decision-making, supervision, and execution bodies that can ensure coordinated operation effective checks and balances, and continuous optimization of management documents and internal processes at all levels. Through these initiatives, the Company is constantly improving the governance standardization and effectiveness to strengthen the foundation for stable development.

● Governance structure

The Company has established a corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Management.

The General Meeting of Shareholders exercises the voting rights on major issues such as the Company's business policies, investment plans, and the election of directors and supervisors in accordance with laws. The Company convenes and holds the general meeting of shareholders in strict accordance with relevant laws and regulations and the requirements of the *Articles of Association* and the *Parliamentary Procedures for the General Meeting of Shareholders* to ensure that all shareholders enjoy the equal status and have the equal right to be informed and make decisions on major issues, hence effectively safeguarding the legitimate rights and interests of all shareholders. The Board of Directors is responsible to the General Meeting of Shareholders and exercises the Company's management rights in accordance with the laws. The Board of Directors has four specialized committees, namely, the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, which perform their duties in accordance with the *Articles of Association* and the authorization from the Board of Directors to provide professional opinions and reference suggestions for decisions of the Board of Directors. All four specialized committees have employed independent directors, and in the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, the independent directors have constituted the majority of committee members and serve as the chairman, in order to ensure that decisions are made professionally and independently. The Board of Supervisors, as the supervisory body, is responsible to the General Meeting of Shareholders and strictly fulfills its duties in accordance with the *Articles of Association*, the *Parliamentary Procedures for the General Meeting of Shareholders*, and other systems. The Board of Supervisors is responsible for supervising the Company's financial position, fundraising management and the performance of the Company's directors and senior officers, as well as expressing opinions on major issues, so as to the Company's standardized operation. The Board of Supervisors consists of 3 supervisors, including 2 employee representative supervisors. For detailed information on the corporate governance structure, governance mechanism, equity structure, controlling shareholders, and de facto controllers, please refer to the *DSBJ Annual Report 2024*.

公司治理架构



Structure of corporate governance	Strategy Committee
General Meeting of Shareholders	Audit Committee
Board of Supervisors	Remuneration and Appraisal Committee
Board of Directors	Nomination Committee
Management	

The Company selected and appointed directors, supervisors, and senior officers in strict compliance with the established procedures, with no member changes in 2024. In accordance with the regulations of *Rules for the General Meeting of Shareholders of Listed Companies*, *Management Measures for Independent Directors of Listed Companies*, and others, the Company has formulated *Rules of Procedure for General Meetings of Shareholders*, *Rules of Procedure for Specialized Meetings of Independent Directors*, *Rules of Procedure for the Board of Directors*, *Rules of Procedure for the Board of Supervisors*, etc. When convening meetings of the General Meeting of Shareholders, Board of Directors, and Board of Supervisors, it strictly adheres to the voting matters and procedural requirements to effectively safeguard the legitimate rights and interests of the listed companies and all shareholders.

The Company held a total of 6 general meetings of shareholders throughout the year, with 35 proposals passed.

The Company held a total of 10 meetings of the Board of Directors throughout the year, with 68 proposals passed.

The Company held a total of 8 meetings of the Board of Supervisors throughout the year, with 35 proposals passed.

● Diversified structure of the Board of Directors

DSBJ acknowledges and firmly believes that the increasingly diversified structure of the Board of Directors is a crucial factor in maintaining the Company's competitive advantage and sustainable development. The Company has implemented a diversity policy for the Board of Directors. When recommending candidates to join the Board of Directors, the Nomination Committee will fully consider the diversity factors and adopt a rigorous selection procedure to maintain an appropriate and balanced structure of the Board of Directors in terms of capabilities, skills, experience, gender, age, and cultural and educational backgrounds, thereby ensuring that the Board of Directors can make decisions in a scientific and effective manner.

The Company currently has 9 members in the Board of Directors, including 1 female director, accounting for 11.1%, and 3 independent directors, accounting for 33.3%. Members of the Board of Directors have possessed interdisciplinary expertise and extensive industry experience, covering areas such as management, risk control, financial accounting, law, and international operations, with 66.7% holding master's or doctoral degrees. One independent director in the Audit Committee is an accounting professional and some board members have rich experience in risk prevention and control, which means they can effectively assist the Company in identifying, preventing, mitigating, and managing risks. Each member of the Board of Directors has performed their duties to the best of their abilities, actively promoting the efficient and standardized operation of the Company. In 2024, in order to continuously improve the Company's governance and decision-making ability, the Company led independent directors to visit the MFLEX Suzhou factory, Kunshan factory, Yancheng Industrial Park, and Suzhou Rf Base to have them gain an in-depth understanding of the Company's business development.

1.1.2 Risk Management and Internal Control

In strict accordance with the requirements of the *Company Law of the People's Republic of China*, the *Basic Norms of Enterprise Internal Control* and its supporting guidelines, as well as the regulatory requirements on internal control from the China Securities Regulatory Commission and stock exchanges, DSBJ continuously promotes the construction, evaluation, and supervision of the risk management and internal control system and the orderly implementation of various special

audits and key project audits. In this way, we can ensure the effective operation of the system to safeguard the Company's sustainable and stable development. In addition, the Company has enhanced employees' awareness of internal control risks and strengthened internal control management capabilities through internal control training, forming a risk prevention pattern with full participation, so as to continuously improve the Company's standardized operation capabilities.

During the reporting period, by continuously improving the risk prevention mechanism, the Company has formed a stable risk management structure and work system that meets the Company's business scale and operational management demands. Through continuous optimization of the risk management assessment process, we could timely identify and assess risk sources existing in the Company's operations, and improve and supervise risks closely related to the Company's operations such as investment risks, business risks, operational risks, and risks relative to sustainable development, thereby achieving a closed-loop management to control the overall risks at an acceptable level. The Company promptly incorporates major ESG risks and opportunities into the risk review and business planning process for taking full consideration of them in the Company's operational plan, thereby controlling or mitigating risks in a better way and seeking growth and transformation opportunities accordingly. We have paid close attention to global trade policy trends based on the Company's overseas strategic layout, regularly assessing and providing early warnings on overseas business risks, and establishing and improving the internal control system for overseas businesses, so as to support the Company's globalization strategy.

Risk identification	Risk assessment	Risk control
Identifying risks comprehensively by analyzing the Company's activities and business background with focuses on key businesses, areas and operational links.	<ul style="list-style-type: none"> • Risk probability assessment • Risk impact assessment • Risk level determination 	Taking risk control measures from the perspectives of risk avoidance, risk transfer, and risk reduction based on risk levels and company reality

1.1.3 Protection of Investors' Rights and Interests

- **Conducting Information Disclosure in a Rigorous and Standardized Manner**

In strict accordance with regulatory documents such as the *Securities Law of the People's Republic of China*, *Measures for the Administration of Information Disclosure by Listed Companies*, as well as the *Articles of Association* and *Information Disclosure Management System*, the Company, under the principle of “truth, accuracy, completeness, and timeliness” in information disclosure, has diligently fulfilled its information disclosure obligations and continuously presents information of the Company's operations to investors from multiple levels, perspectives, and angles based on investors' demands, in order to enhance the quality and effectiveness of information disclosure. In 2024, the Company revised the information disclosure management policy and formulated and published information disclosure management regulations, issuing a total of 4 periodic reports and 105 interim announcements, further enhancing the quality and transparency of information disclosure. During the reporting period, the Company's disclosed information has contained no false records, misleading statements, significant omissions, or other improper disclosures. At the same time, the Company has also kept a close eye on the public opinion environment and market trading conditions to effectively protect the legitimate rights and interests of investors.

- **Enhancing Interaction and Mutual Trust with Investors**

Attaching great importance to investor relations management, the Company continuously improves internal policies such as the *Regulations for Investor Relations Management* and expands communication channels with investors. Through activities such as performance presentation meeting, conference calls, organized visits and researches, the Company has maintained timely and effective communication with investors on corporate governance, operating conditions, sustainable development, etc., which further enhances the interaction and mutual trust between the Company and investors. In 2024, the Company deepened investors' understanding of the Company through various activities such as holding financial results announcement meetings, participating in strategy meetings, conducting reverse roadshows, and receiving research visits. The Company sincerely took the opinions and suggestions of shareholders and potential investors, and provided timely replies

and explanations to shareholders and potential investors, so as to build a good interactive ecosystem with investors and render high-quality services to investors.

- **Safeguarding the Rights and Interests of Minority Shareholders**

The Company equally treats all shareholders and continuously standardizes the procedures for convening, holding, deliberating, and voting on the general meeting of shareholders, to ensure that investors, especially minority shareholders, can enjoy the right to be informed and participate in major matters of the Company. The Company, after fully considering the time, place, and convening approach of the general meeting of shareholders, has adopted a combination of on-site voting and online voting for issues deliberated on the general meeting of shareholders, so as to facilitate the participation of shareholders, especially that of minority shareholders. For major matters that may affect the rights and interests of minority investors, the Company has counted and disclosed the votes from minority investors separately whereby the opinions of them can be fully expressed. Through channels such as the platform of “EasyIR”, the Company has communicated with investors, fully listening to opinions and demands of minority shareholders and timely responding to issues of concern to minority shareholders. In 2024, the Company responded to 183 questions from minority investors through the “EasyIR” platform, achieving a 100% response, and assigned dedicated personnel to answer the investor hotline, patiently addressing the inquiries from minority investors.

- **Sharing the Company’s Development Achievements**

While focusing on our own development, the Company adheres to an investor-oriented approach. Since listing, the Company has been strictly formulating a cash dividend policy that combines continuity and stability in accordance with the *Articles of Association* to create a “long-term, stable, and sustainable” shareholder value return mechanism, thereby continuously sharing the Company’s development achievements with investors. During the reporting period, the Company, based on actual operating conditions and development plans, has formulated an annual profit distribution plan on the premise of ensuring normal operations and long-term development. Independent directors have fulfilled their duties and responsibilities to express clear, independent opinions on the preparation and decision-making process of the profit distribution plan. The relevant proposals, after being reviewed by the Board of Directors and the Board of Supervisors, are

submitted to the General Meeting of Shareholders for deliberation, thereby effectively safeguarding the legitimate rights and interests of shareholders. In 2024, the Company implemented the 2023 profit distribution plan, distributing a cash dividend of RMB 2.5 (including tax) per 10 shares, totaling RMB 425,319,100 in cash dividends, which accounted for 21.65% of the Company's net profit attributable to shareholders in 2023.

1.1.4 Tax Transparency

DSBJ has always upheld tax compliance and regulatory-adherent operations as the foundational cornerstone of corporate development. The Company has rigorously complied with domestic regulations, such as the *Enterprise Income Tax Law of the People's Republic of China*, and international tax frameworks, and has institutionalized robust governance through internal policies such as the DSBJ Tax Compliance Management Regulations, which standardize tax filing, risk management, tax incentives, and tax strategy alignment for global operations. In order to ensure the accuracy and compliance during tax management, we have established a dedicated tax team and introduced advanced financial management software and automated tax governance systems. We also reject tax structures lacking commercial substance and adopt the principle of independent transactions for transfer pricing. During the reporting period, DSBJ achieved a 100% tax filing timeliness rate, receiving an A-level tax credit evaluation, and accurately completed overseas business tax filings, with no significant tax non-compliance issues reported.

The Company has implemented a comprehensive tax risk management framework, establishing internal tax risk assessment metrics to conduct regular tax risk identification and self-evaluation processes. This systematic approach can transform tax risk governance from reactive mitigation to proactive control. In addition, the tax team organizes monthly internal training sessions and facilitates cross-departmental workshops to integrate tax compliance requirements into operational workflows, thereby enhancing all employees' understanding and prioritization of tax compliance.

1.2 Business Ethics and Anti-Corruption

1.2.1 Governance

DSBJ strictly complies with laws and regulations and industry codes, such as the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Guidelines No. 1 on Self-regulatory Supervision for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board*. The Company has established a comprehensive structure covering business ethics and compliance management of the Company and its supply chain, solidifying the defense against breaches of business ethics. The Board of Directors serves as the highest decision-making body for business ethics and anti-corruption management, while the Audit Committee subordinated to the Board of Directors is responsible for overseeing the implementation of business ethics management systems and requirements and fulfilling its duties concerning significant compliance and business ethics matters. In terms of operations, the audit department, as an independent oversight body within the Company, is responsible for assessing risks from business ethics and anti-corruption matters, formulating related policies and systems, conducting routine audit supervision, and collaborating with the human resources department to promote business ethics among all employees, thereby ensuring the Company consistently complies with high-standard compliance and ethical requirements. All functional departments of the Company strictly comply with and implement the relevant provisions on business ethics.

The Company implements a business ethics management system focused on the *Policy for Management of Business Ethics and Integrity Efforts*, achieving 100% coverage across all business segments and functional departments. This system requires the Company's directors, all employees, and all supply chains and partners to comply with anti-fraud, anti-money laundering, anti-corruption, fair competition and anti-monopoly, and conflict-of-interest prevention requirements. For suppliers, the Company has developed a dedicated policy of the *Supply Chain Personnel Conduct Management Procedures and Standards*, explicitly mandating business ethics and anti-corruption requirements for suppliers, so as to ensure that suppliers continuously improve their business ethics management systems.

1.2.2 Strategy and Management Mechanism

DSBJ recognizes business ethics as the cornerstone of corporate development. We have institutionalized a robust business ethics and anti-corruption governance framework, integrating enhanced training programs of business ethics and anti-corruption into the Company's development strategies and daily operations. We also require our supply chain partners to comply with business ethics and anti-corruption requirements, in order to safeguard our high-quality and sustainable growth. During the reporting period, the Company has been involved in no major litigation cases related to corruption, bribery, or unfair competition.

DSBJ joined the Anti-Fraud Alliance Association.

● Business Ethics Culture Construction

The Company actively fosters a culture of business ethnics, ensuring that its requirements in business ethics are communicated to employees, suppliers, and other internal and external stakeholders. It also calls for the practical fulfillment of business ethnics commitments across all levels of the organization. The Company internally conducts effective business ethics promotion through employee handbooks, rules and regulations, newsletters, etc., and regularly provides anti-fraud training and integrity and ethics education to the management and all employees, so as to ensure that all employees maintain integrity, honesty, and diligence in work and actively prevent corrupt behavior. The Company has also established regulations such as the *Gift Acceptance and Entertainment Management Norms*, and the *Conflict of Interest Management Norms*, the *Anti-Corruption Management Regulations* to regulate employees' behaviors, requiring all employees to sign the *Anti-Fraud and Anti-Bribery Commitment Letter*, so as to ensure that every employee complies with anti-corruption and integrity requirements.



Offline: Integrity and conflict of interest training

Online: Business ethics series courses

● **Anti-Unfair Competition**

The Company strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and the relevant anti-monopoly and anti-unfair competition laws and regulations of the countries and regions where it operates. We encourage each business segment to establish anti-unfair competition policies, clearly prohibiting unfair competition behaviors such as price manipulation, false advertising, and infringement of trade secrets. We are committed to fostering a fairer and more transparent market competition environment. In 2024, the Company violated no anti-unfair competition laws and regulations.

MULTEK Code of Business Conducts

We strive to outperform our competitors fairly and equitably, rather than through unethical or illegal business practices. We strictly forbid theft of proprietary information, acquisition of trade secrets without the owner authorization, and inducing current or former employees of other organizations to disclose such confidential data. The Company's relevant personnel shall endeavor to respect the rights of the clients, suppliers, competitors and employees of the Company and treat them fairly and equitably. All relevant personnel of the Company shall refrain from deriving improper benefits through manipulation, concealment and abuse of privileged information, misrepresentation of critical data or any deliberate unfair trading practices.

● **Supply Chain Business Ethics Management**

The Company has established the *Management Procedures and Regulations for Supply Chain Personnel Conducts* and requires all suppliers to sign the *Integrity Cooperation Agreement*, the *Anti-Fraud and Anti-Commercial Bribery Commitment Letter* or the *Anti-Commercial Bribery Agreement* before cooperation. We also set up external reporting channels to identify and prevent business ethics risks. The Company conducts audits on the suppliers' performance of the code of conduct and management of business ethics, as well as due diligence investigations, project audits, and compliance checks with partners based on cooperation projects when necessary, to ensure

continuous supervision of supply chain compliance risks. Suppliers with serious violations will be blacklisted and punished according to the Company's relevant regulations.

● Reporting Management

The Company tolerates no behavior that violates business ethics, and has formulated the *Misconduct Reporting Mechanism and Handling Measures* to continuously improve the reporting and handling mechanism. We also ensure that all employees understand the reporting channels and processes through training and publicity posters. Employees of the Company at all levels and all parties of the society with direct or indirect economic relationships with the Company can report actual or suspected violations of business ethics by the Company and its employees through various reporting channels such as reporting hotlines, emails, and letters. The Company's internal audit department is responsible for handling complaints and reports related to employees' misconduct, and dedicated personnel are designated to receive, process, and provide feedback on complaints and reports, as well as investigate disciplinary cases. If it is confirmed that there are facts of corruption, the Company will take actions against the individuals involved based on the severity of the facts, including but not limited to position transfer, demotion, downgrade, salary reduction, termination of employment contracts, and referral for legal action.

The Company strictly adheres to the principles of independence, objectivity, fairness, and confidentiality. In accordance with relevant provisions on protecting whistleblowers, the Company strictly maintains the confidentiality of the whistleblowers' personal information and the reporting materials they provide throughout the process of acceptance, registration, and investigation. At the same time, the Company rigorously safeguards the personal safety of whistleblowers and harshly punishes any retaliatory actions. Individuals found to violate confidentiality rules or engage in retaliatory actions against whistleblowers will be held accountable in accordance with the relevant provisions of the Company, with severe penalties imposed on those involved in retaliatory actions. Individuals committing criminal acts will be referred to judicial authorities for prosecution. Whistleblowers who provide credible reports and can recover significant losses for the Company will be rewarded based on the amount saved.

Reporting Channel

DSBJ reporting email: jubao@dsbj.com

MFLEX reporting email: jubao@mflex.com

Multek reporting email: fxgl@Multek.com

1.2.3 Impact, Risk, and Opportunity Management

DSBJ integrates business ethics and anti-corruption risks into the Company's comprehensive risk management system. To properly address business ethics-related risks, the Company regularly conducts identification and assessment of business ethics risks (refer to the "Risk Management and Internal Control" section of this report for detailed processes). In the event of significant changes in the external environment or some major events or business changes in the Company, we will also assess these risks timely. The Company has defined risk control strategies around business ethics risk points in the areas of trading opportunities, power positions, funding costs, compliance and regulation to ensure that all business practices meet ethical and compliance requirements.

The headquarters of DSBJ is responsible for coordinating, supervising and guiding each division for the establishment of overall control procedures and mechanisms, with the audit results directly reported to the Audit Committee subordinated to the Board of Directors. The Company establishes an audit and inspection department independent from the business operation system, which exercises investigation rights independently. The Company also develops an audit program annually carries out regular audits on the implementation of business ethics-related policies and the commercial ethics risks in various business scenarios through compliance audits, operational audits, and special audits. Internal audits relative to business ethics should cover all of the Company's operating locations and businesses every three years. Moreover, the Company develops a continual improvement plan based on audit findings to enhance the business ethics and anti-corruption framework.

1.2.4 Indicators and Targets

Indicators and Targets	Achievement in 2024
The Company was involved in 0 major litigation cases regarding corruption, fraud, or unfair	Targets achieved

Indicators and Targets	Achievement in 2024
competition	
100% coverage of business ethics and anti-corruption training for directors and employees	Targets achieved 100% coverage of business ethics and anti-corruption training for directors and employees, with an average training duration of 3 hours per person
100% effective handling rate of reporting	Targets achieved
Full coverage and confirmation of conflict of interest declarations for employees at D6 level and above in the Company	Targets achieved

1.3 Digital Intelligence Transformation

DSBJ has proactively embraced technological changes, aligning various business segments to enhance the development of a comprehensive technical framework and implementation strategy for intelligent manufacturing. We have established a data-centric, multi-platform, and multi-system interactive integration system that fosters deep synergy between digital technology and the manufacturing sector. This initiative not only advances the integration of artificial intelligence with new industrial processes but also injects fresh momentum into the Company's development. In 2024, DSBJ continued to promote the integration of informatization and industrialization and the construction of smart factories. Based on the analysis of domestic and international technology trends such as big data and artificial intelligence (AI), we formulated a new three-year strategic layout (2024-2026) towards "accelerated development driven by digital and intelligent decision".

Harnessing digital and intelligent decisions to accelerate development for empowering innovation-led growth



Research & Development	AutoML Platform
Promotion & Empowerment	Intelligent Manufacturing - Phase 2
Cooperation & Co-construction	Data Driven Culture
Intelligent Manufacturing - Phase 1	Decision Intelligence
Integrated Platform	AI Platform Engineering
Data Governance	Digital Twin
AI Democratization	

Strategic targets	We will optimize resource allocation and rationally apply artificial intelligence to accelerate smart manufacturing construction based on the decision driven by big data, thereby achieving revenue and profit growth.
Implementation Path	<ul style="list-style-type: none"> Achieve data analysis and visualization for ten major topics including supply chain, sales, human resources, and inventory by deepening the governance of master data and indicator data. Provide a high-quality data service platform by strengthening the capabilities of the big data platform. Apply artificial intelligence in business scenarios such as smart manufacturing, smart office, smart park, and intelligent supply chain starting from “AI+Quality”, “AI+Cost”, “AI+Delivery” and “AI+Service&Safety”. Holistically plan and systematize AI capabilities across computational resources, algorithmic models, governance, and application services, while developing secure and reliable intelligent systems and engineering platforms with robust model generalization capabilities. Improve the digital talent training system to cultivate digitally versatile talents that meet business needs. Achieve intelligent risk prevention and control through the three core

engines (continuous improvement of information security system, information security prevention and control technical capabilities, and information security emergency response capabilities).

● **Data Governance and Big Data Platform Construction**

Data governance and big data platform construction serve as a foundational cornerstone of intelligent manufacturing. The Company continuously optimizes the big data platform through policies including the *Big Data Platform Management Standards* and the *Data Quality Control Regulation*, to achieve seamless integration of workforce mobility, logistics, capital flow, process optimization, information integration, and technology deployment, which has significantly enhanced operational efficiency and fostered industrial upgrading.

● **AI-driven Empowerment**

By advancing industrial digitalization with the “Intelligent Matrix”, DSBJ creates a robust manufacturing system that integrates automation, digitization, and intelligence technologies.

● **Digital Talent Cultivation**

Digital talents act as a key driving force behind the implementation of the intelligent strategy of DSBJ. We are refining the digital talent development ecosystem designed to nurture versatile professionals skilled in data-driven decision-making, low-code development, BI analytics, and AI applications.

1.4 Information Security and Privacy Management

1.4.1 Governance

DSBJ strictly complies with China’s laws and regulations, such as the *Cybersecurity Law of the People’s Republic of China*, the *Data Security Law of the People’s Republic of China*, and the *Personal Information Protection Law of the People’s Republic of China*, as well as those of other countries, such as the U.S. *Cybersecurity Information Sharing Act*, the *Amendment of Personal Data Protection Act* (PDPA) and the *Digital Trust Framework Act* in Singapore. Accordingly, the Company has established a comprehensive governance structure for information security and privacy protection. The Company has established an information security and privacy protection

working group and an Information Technology Department at the headquarters level. These organizations collaborate with the Security and Privacy Committee and the Information Security Department of the overseas headquarters in Singapore to research and translate global data protection laws and policies, and jointly advance the development, implementation, and supervision of information security and privacy management planning. Through these initiatives, we ensure that the information security operation and maintenance system is running effectively. In addition, each division is equipped with dedicated personnel responsible for implementing specific tasks related to information security and privacy protection, so as to strengthen information data security management and improve data governance.

The Company has established a series of institutional norms including the *Data Security Management Procedures*, the *Information Security Risk Management Procedures*, the *Information Asset Security Management Procedures*, and the *Information Security Reward and Punishment Policy*, in order to create a comprehensive information security protection system that covers all business areas of the Company, thereby ensuring the security of information infrastructure, application systems, products, and customer information. In 2024, the Company revised the *Information Security and Privacy Manual* and the *Privacy Governance Policy* based on the latest ISO 27001 requirements, and added cloud service management requirements to ensure the ongoing effectiveness and adaptability of the information security management system.

1.4.2 Strategy and Management Mechanism

With reference to the latest requirements of ISO 27001 information security management system and ISO 27701 personal privacy information management system, DSBJ has adopted various measures to continuously improve the overall information security level, including establishing an information security management platform, unifying information security management policies, implementing centralized deployment of information security, and clarifying the requirements and standards to employee behaviors in information security management, information security technology, and emergency response and conducting enhanced training and regular audits on information security and privacy protection.

All divisions of DSBJ have been certified with the ISO 27001 Information Security
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Management System

DSBJ has been certified with the **ISO27701 Personal Privacy Information Management System**

DSBJ has been awarded the title of “Five-Star Cloud Enterprise”

● **Comprehensive Information and Data Security Management**

Data Classification and Control	<ul style="list-style-type: none"> The Company has developed the <i>Information Classification Management Procedure</i> to classify its information data by different categories and levels, and adopt targeted protection measures in accordance with information data hierarchical classification management norms as provided by policies. For sensitive data, measures such as limiting usage scope, encryption, and approval control are implemented, with desensitization or encryption carried out according to business needs.
Data Backup and Recovery	<ul style="list-style-type: none"> The Company has centralized database management and implemented approval management for high-risk operations. We also develop the <i>Important Information Backup Management Procedures</i> to establish a comprehensive data backup mechanism, and conduct sampling of backup status regularly for inspection and verification.
Strengthened Technical Protection	<ul style="list-style-type: none"> By deploying situational awareness devices to monitor unconventional traffic in the network, the Company blocks and alerts to abnormal traffic. We record the direct access to servers from terminals, discovering and promptly addressing potential security risks. We collect relevant log data, and analyze their relationships to detect potential security events, thereby enhancing system security and reducing potential threats. We continuously promote the construction of the information security management platform to enhance overall information security capabilities.
Information security	<ul style="list-style-type: none"> The Company has developed the <i>Information Security Incident Management Procedures</i> and established a complete information security

emergency management	<p>incident response and emergency disposal mechanism, ensuring that information security is safeguarded in a timely and effective manner.</p> <ul style="list-style-type: none"> We develop an annual plan to conduct a series of emergency drills for important applications, networks, data, etc., which covers all functional departments, to improve response and collaborative handling capabilities for emergency incidents.
Information security training and promotion	<ul style="list-style-type: none"> The Company regularly (e.g. monthly and quarterly) conducts training for all employees to enhance their awareness and improve their skills in information security and privacy management. Employees in various business segments can also take information security courses on online learning platforms. All new employees will receive concentrated training on information security awareness after joining the Company (in conjunction with the new employee onboarding training), in order to bring information security awareness to new employees at their first stage of onboarding.

● Supplier Information Security Management

In accordance with the *Supplier Relationship Management Procedure* and the *Supplier Policy* formulated by the Company, it is necessary to assess the risks of information security and privacy management brought by supplier services, and products or services provided by suppliers that should meet local operational and industrial standards and requirements before cooperating with suppliers, in order to prevent the loss of the Company's information assets and personal information leakage. The Company has also formulated relevant policies, such as the *Supplier Information Security Verification Plan*, the *Supplier Information Security Verification Form*, the *Cloud Control Questionnaire*, the *Cloud Service Security Audit Questionnaire* and conducts on-site assessments on key suppliers, to determine whether their information security and privacy management meet the requirements. Suppliers should also execute the Supplier Service Confidentiality Agreement to guarantee they strictly meet the local information security requirements.

● Protection of Personal Information and Privacy

The Company has developed documents such as the *DSBJ Privacy Policy*, the *Personal Identity Information Control and Management Procedures*, and the *Information Security and Privacy Manual* to ensure transparency in data collection and usage, thereby safeguarding the right to know, to choose, and to control personal information. An emergency response plan is also established to ensure customer information is not leaked.

1.4.3 Impact, Risk, and Opportunity Management

DSBJ has developed the *Information Security Risk Management Procedures*, which comprehensively cover information security risk identification, risk assessment and analysis, risk treatment, residual risk disposition, and risk control. By quantifying risk level, the Company can more accurately identify and assess potential information security risks, and develop targeted response measures to ensure that information security and privacy protection risks are visible, preventable, and controllable. The Company regularly audits its information security and privacy management system in conjunction with business characteristics, including comprehensive internal information security audits (at least once a year), annual external audits by ISO 27001 certification bodies, and annual information security audits by global leading clients, to evaluate and improve risk control measures, so as to better safeguard business continuity and data asset security.

1.4.4 Indicators and Targets

Indicators and Targets	Achievement in 2024
Information Security Management Index > 3.6	Targets achieved Information security management index reaching 3.8
Network resilience > 85%	Targets achieved Network resilience reaching 90%
Information security and PII training coverage no less than 85% throughout the year	Targets achieved Information security and PII training coverage reaching 90%
Significant information security incidents < 1 incident	Targets achieved No major information security incidents

Indicators and Targets	Achievement in 2024
No information leakage incidents	Targets achieved

2. Collaboration for Mutual Benefit to Build a Sustainable Supply Chain

Sustainable Development Goals of the United Nations (SDGs)



2.1 Governance

The quality, resilience, and sustainability of the supply chain are critical to the robust development of DSBJ. The Company has established a sustainable supply chain working group. The Supply Chain Management Center at the Company's headquarters is responsible for identifying and assessing supply chain risks, formulating or updating policies and systems related to sustainable supply chain construction, and promoting risk-oriented sustainable supply chain management. The Supply Chain Management Department of each division is responsible for centralized management of suppliers belonging to its own business segment, including continuous optimization of the supplier pool, and supplier audits, evaluations, and controls in collaboration with relevant departments such as R&D, quality, and EHS, in order to jointly ensure the security, stability, and high quality of the supply chain.

The Company strictly complies with relevant national laws and regulations such as the *Law of the People's Republic of China on Bid Invitation and Bidding* and the *Regulation on the Implementation of the Law of the People's Republic of China on Bid Invitation and Bidding*. It has formulated institutional norms and guidelines related to bid invitation, procurement and supplier management, such as the *Supply Chain Management System*, *Supplier Management Process and Norms*, *Supplier Admission and Approval Process Management Norms*, and *Procurement Management Process and Norms* to continuously improve the supplier lifecycle management.

2.2 Strategy and Management Mechanism

Guided by the Company's business strategy, DSBJ strives to create a fair and equitable procurement environment that can continuously optimize the supplier lifecycle management, in order to constantly improve the quality and risk resilience of the supply chain. We are devoted to building a competitive, resilient, and sustainable supply chain that can provide a solid guarantee for the Company's vision of "building a 100-billion advanced and intelligent manufacturing platform".

The Company has 5,040 suppliers in total, including 4,531 suppliers from China (including Hong Kong, Macau, and Taiwan) and 509 suppliers overseas.

2.2.1 Supplier Lifecycle Management

The Company has established a supplier lifecycle management system and mechanism to standardize the process mechanism for supplier admission, assessment, evaluation, and exit, thereby building a high-quality, safe, and stable supplier team.

Supplier lifecycle management

Supplier admission	The Company has formed an inspection team composed of multiple departments (including procurement departments, quality departments, R&D engineering departments, etc.) to inspect suppliers' information and qualifications according to the established supplier admission thresholds. Qualified suppliers are included in the <i>Qualified Supplier List</i> after receiving the inspection.
Assessment and evaluation	The Company develops an annual supplier audit plan and conducts regular monitoring and comprehensive evaluation in terms of supplier performance, product quality, EHS management, business ethics, and anti-corruption through qualification review, document audit, on-site audit, annual assessment, etc. In addition, the Company provides timely feedback to suppliers based on audit results, assisting suppliers in continuous improvement to ensure the safety and compliance of overall business operations.
Hierarchical	The Company conducts hierarchical classification management on suppliers. We classify suppliers into three categories (A, B, C) horizontally and each of these

classification management	categories is further classified into three levels (excellent, good, qualified) based on the impact of suppliers on the Company's final products and establish management requirements and standards for each category and level. We adjust the categories and levels dynamically per year based on evaluation results, procurement scale, material characteristics, and other factors. Outstanding suppliers may participate in the supply of new project products, while non-compliant suppliers are restricted from supplying.
Supplier exit	If a supplier's performance is rated as category C and remains at category C after the rectification period, or if the supplier has significant issues related to quality, delivery, price, service, etc., or improper behaviors involving business ethics, significant environmental incidents, etc., the Company will eliminate the supplier from the supplier pool properly and claim against the supplier for relevant responsibilities and losses based on the actual situation.

2.2.2 Sustainable Procurement

The Company has incorporated the sustainable development requirements into its supply chain management system, and promoted each business segment to formulate the requirements for suppliers' social code of conduct in accordance with the *Electronic Industry Code of Conduct* (EICC), the *Social Accountability Standard* (SA8000), and a series of standards issued by the International Labor Organization (ILO). When selecting suppliers, the Company's business segments deeply understand the performance of suppliers in sustainable development with great attention paid to ESG factors, ensuring that suppliers' performance in governance, social, and environmental aspects meets the requirements. At the supplier admission stage, the Company requires suppliers to sign the *Supplier Social Responsibility Commitment Letter* and the *Supplier Code of Conduct Assurance Agreement* to make commitments for occupational health and safety, environmental protection, business ethics, etc. In addition, the Company identifies, assesses, and controls potential risks, inclusive of ESG risks, in the supply chain according to internal checklists such as the *Supplier Environmental and Social Responsibility Audit Form* and the *Supplier Green Product Management System Evaluation Form*, to ensure the sustainability and stability of the supply chain. Please refer to the "Excellent Governance for Moving Towards a New Journey of High-Quality Development/Business Ethics and Anti-Corruption" chapter for detailed information on supply chain business ethics and anti-corruption management. In addition, with emphasis on

protecting suppliers' rights and interests, the Company treats suppliers faithfully while ensuring equitable treatment of SME partners to uphold their legitimate rights and interests.

- **Quality Risk Control**

The Company has established internal management policies such as the *Supply Chain Management Policy* and the *Supplier Management Control Procedures*, to set up requirements for the quality qualifications of suppliers. According to the requirements, suppliers should have boasted professional qualifications of the services or products they provide and established a sound quality management system complying with current laws and regulations, including the ISO 9001 quality system certification and the IATF 16949 quality system certification (for suppliers that produce automotive parts). Suppliers must continuously meet these requirements. At the same time, the Company requires key suppliers to execute the *Supplier Quality Assurance Agreement*.

The Company communicates in a timely manner with suppliers to ensure that suppliers fully understand the quality requirements for the materials they supply. Furthermore, the Company manages suppliers through supplier audits, incoming material inspections, performance evaluations, and continuous improvement to ensure product safety and quality. Supplier quality audits are conducted in accordance with the *Supplier Audit Management Procedures*, encompassing audits on quality management systems, product design and development, material and supplier management, manufacturing process management, change management, non-conformity control, improvement and after-sales service, hazardous substance management, etc. The Company formulates an annual supplier audit plan and strictly implements it, with dynamic audits conducted in case of quality issues or other abnormalities. The procurement, quality, and other departments of the Company's business segments conduct regular reviews and analyses focusing on supplier quality audits and evaluations. For any non-conformity items identified during the process, the Company will require the suppliers involved to rectify the items within a specified period in the form of written improvement reports, and provide quality training and technical cooperation and exchanges when necessary to jointly improve the quality.

Based on the results of supplier quality assessments and the issues identified during the audit process, each business segment is required to collaborate with relevant departments to conduct

regular quality management capability improvement training tailored to suppliers to meet the specific product requirements of each unit. Additionally, each business segment needs to provide targeted guidance and assistance to suppliers, including support for technological transformation, upgrading, and optimization efforts. Through these collaborative initiatives, we seek to assist suppliers in enhancing their quality standards and collectively promote product upgrades across our supply chain.

Suppliers certified to the quality management system: 2,747

Suppliers that have executed the quality assurance agreement: 2,759

Suppliers certified to the IECQ QC 080000 Hazardous Substances Process Management System: 593

● Human Rights Risk Management

DSBJ drives various business segments to develop the *Supplier Code of Business Conduct and Ethics* in accordance with the requirements of the International Labor Organization (ILO), the Code of Conduct for Responsible Business Alliances (RBA) and the relevant laws and regulations of the places of operation. The content of the code of conduct should include anti-child labor and anti-forced labor, working and rest hours, anti-discrimination, collective bargaining, occupational health and safety requirements, etc. We also require suppliers to sign social responsibility commitment letters or guarantee agreements, in order to guide suppliers to strengthen sustainability management and ensure that products or services from them are produced or provided in a manner that complies with human rights requirements and ethical standards.

Human Rights and anti-discrimination	<ul style="list-style-type: none"> • All employees enjoy the rights and interests of free and equal consultation and collective bargaining; • Any form of coercion is prohibited; • Any form of prejudice and discrimination are prohibited.
Prohibition of forced labor	<ul style="list-style-type: none"> • It is prohibited to employ forced laborers; • It is prohibited to require employees to pay deposits or provide identity documents as collateral.

Employment conditions	<ul style="list-style-type: none"> • Child labor is prohibited; • Remuneration must comply with national laws or industry standards and employees should be paid equally for equal work; • Forced labor is prohibited.
Occupational health and safety	<ul style="list-style-type: none"> • It is required to provide a healthy and safe working environment and protective measures; • It is required to provide appropriate health and safety information and training.

Suppliers certified to the occupational health and safety management system: 990

Suppliers successfully passed third-party ESG audits, such as the Responsible Business Alliance (RBA) and Sedex: 74

● Driving the Green Transformation of the Supply Chain

As driven by the Company, each business segment actively implements green procurement and signs the *Green Product Guarantee Statement* with suppliers. They require suppliers to use limited resources prudently and responsibly, guarantee all production processes of the products comply with the requirements of environmental laws and regulations, and minimize the impact of the business activities on the environment. In addition, all business segments mandate suppliers to execute *the Restricted Substances Compliance Agreements* and the *REACH Substances of Very High Concern Disclosure Statements*, ensuring adherence to RoHS directives, relevant laws and regulations of the places of operation on electronic product pollution control, and Hazardous Substance-Free (HSF) management requirements. This collaborative governance has driven green transformation across the supply chain.

Suppliers certified to the environmental management system: 1,163

The Company's subsidiary Yancheng Dongshan requires suppliers to fill out the *Stakeholder*

Environmental Management Performance Evaluation Questionnaire, through which it assesses suppliers' certification and construction of environmental management systems, progress of environmental topics such as three-waste emissions and waste management, environmental compliance, environmental emergency management, etc. In these assessments, suppliers with a score equal to or more than 60 points are considered qualified while those with a score less than 60 points are considered unqualified. The unqualified suppliers are required to make rectifications. If they fail to respond or improve, Yancheng Dongshan will terminate business dealings with them.

● Supplier Collaboration for Mutual Benefit

The Company actively encourages cooperation and communication with suppliers through annual supplier conferences, daily technical exchanges, various specialized training sessions, etc. With these measures, we help suppliers continuously improve their process technology levels, optimize working methods, and timely update information on production requirements and policy trends. We are growing together with suppliers in an open and cooperative manner. During the reporting period, the Company provided training to 421 suppliers.



Technical communication with electronic manufacturers

2.2.3 Resilient Supply Chain

Establishing a resilient supply chain and ensuring business continuity are important guarantees for the Company's stable operations. To ensure a stable supply of strategic resources, the Company has formulated a *Business Continuity Plan for the Supply Chain Management Department* and continuously optimized the supply chain structure to ensure that suppliers have diversified backgrounds and come from multiple channels. The Company has also conducted enhanced

preventive control measures against factors such as supply chain disruptions, price increases, and unexpected events, effectively preventing potential risks in the supply chain and strengthening supply chain resilience. In 2024, the Company's raw material supply remained stable, and production was not affected by raw material shortages.

Establishing multiple channels for raw material supply	To prevent delivery delays or insufficient supply caused by factors such as climate, distance, and policies, the Company procures materials through multiple channels, deeply explores resource markets and analyzes development trends to continuously optimize supplier resources. Through these initiatives, the Company has reduced exclusive and intermediary purchases, thereby mitigating the risk of single sourcing while lowering procurement costs and maintaining raw material supply stability.
Encouraging localization procurement	The Company encourages localization sourcing. It identifies material supply risks overall based on historical delivery and inventory reserve situations, actively exploring and selecting products that meet production requirements for domestic substitution and local procurement from technical, commercial, production capacity, and accessibility perspectives and cooperating with reliable trading partners. Through these endeavors, the Company has shortened transportation cycles and supply times, enhanced control and transparency, and improved the supply chain's risk resistance and rapid response capabilities, thereby promoting economic development of the place where the Company is located.
Cultivating good cooperative relationship	The Company maintains timely communication with suppliers through multiple ways such as email, phone, remote meetings, face-to-face discussions, etc. To avoid price increases and ensure post-sales service quality, the Company conducts strategic discussions with suppliers and signs strategic cooperation agreements with core suppliers to ensure optimal reserves and a stable supply of materials. It establishes a benign and effective supplier competition and

	protection mechanism to create a good atmosphere for supply chain cooperation and persist in joint development and growth with a wide range of qualified suppliers to build a harmonious supply chain ecosystem.
Enhancing emergency management	The Company has developed differentiated plans, procedures, and key actions based on the severity level of production activities, the likelihood of supply shortages, etc., and has implemented focused tracking of high-risk and medium-risk materials to eliminate the risk of material shortages. The Supply Chain Management Center coordinates and plans the necessary resources for various business segments, subsidiaries, and branches through the <i>Supply Chain Resource Coordination Contact Letter</i> to enhance emergency management. To ensure normal operations, the Company constantly monitors potential supply chain disruption risks and strengthens supply chain risk assessment and control to ensure that daily supplies are not affected.

2.2.4 Responsible Mining Procurement

The Company has formulated the *Conflict Minerals Procurement Policy* in accordance with the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* of the Organisation for Economic Cooperation and Development (OECD) and other applicable standards, to establish a sound responsible mining due diligence management system. We have developed clear and transparent management procedures for the use of mineral resources in the production and operation process to identify and manage potential risks, committing to using no “conflict minerals” from areas controlled by armed groups perpetrating crimes against humanity in the Democratic Republic of the Congo or adjoining countries/regions. We also committed to tracing the sources of gold (Au), tantalum (Ta), tin (Sn), tungsten (W), etc. in all products to ensure the legality of raw material sources, insisting on ethical procurement.

● Promotion and Implementation of Conflict Minerals Procurement Policy

As driven by the Company, each business segments communicate the conflict minerals policy to direct suppliers through multiple channels. The Company has required suppliers to sign the

Commitment Letter for Not Using Conflict Minerals and incorporated mineral resource management regulations into contracts and agreements signed with suppliers. Moreover, the Company also conducts responsible mining supply chain due diligence and requires all relevant suppliers to strictly adhere to the commitment of not using mineral resources from conflict-affected areas. In addition, the Company's various business segments encourage suppliers to establish policies for conflict minerals and require them to pass on this principle to their upstream suppliers.

The Company's Conflict Minerals Procurement Policy and Commitment Letter for Not Using Conflict Minerals have been communicated to 100% of our suppliers.

The responsible mining special training has covered 100% of the relevant suppliers.

There were 2,149 suppliers that have undergone responsible mining due diligence and received qualified results.

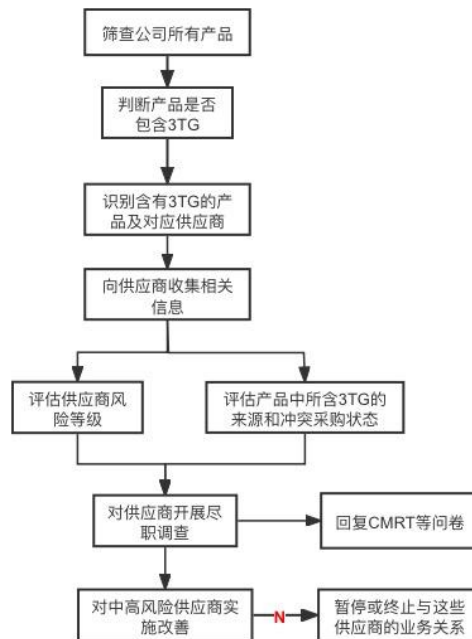
Suppliers signing the Commitment Letter for Not Using Conflict Minerals have accounted for 100% of our suppliers.

● Responsible Supply Chain Management

The Company's various business segments have formulated the conflict minerals investigation management procedures to conduct responsible mining due diligence on suppliers. Suppliers are required to truthfully fill in and respond to the Conflict Minerals Reporting Template (CMRT) regarding the usage and sources of relevant minerals in the delivered products, and provide supporting materials to ensure the compliance and traceability of the procurement sources. The Company has established a supplier risk assessment and management process. It draws a supply chain map based on the KYC information collected from suppliers and identifies conflict-affected and high-risk areas (CAHRA) risk based on information related to suppliers and supply chains retrieved from public sources, formulating due diligence plans and carrying out supply chain due diligence investigations. Through these initiatives, the Company has promoted improvement measures, including requiring suppliers to eliminate non-compliant smelters and strengthen risk control. If a supplier is at risk of conflict minerals, the supplier must immediately notify the Company in writing and the Company will terminate the development or replace the supplier

involved in the conflict minerals.

During the reporting period, due diligence was conducted on all suppliers that should be included in the responsible mining due diligence scope, with 100% of supply chain enterprises not using illegal conflict minerals.



Responsible Mining Due Diligence Management Process

Screen all products of the Company	Assess the sources of 3TG in the product and the conflict purchase status
Determine if the products contain 3TG	Conduct due diligence on suppliers
Identify products containing 3TG and their corresponding suppliers	Respond to CMRT and other questionnaires
Collect relevant information from suppliers	Take improvement on high- and medium-risk suppliers
Evaluate suppliers' risk levels	Suspend or terminate business relationships with these suppliers

2.3 Impact, Risk, and Opportunity Management

DSBJ faces a variety of supply chain risks, including quality risks, hazardous substance risks, supply risks (such as supply interruptions and raw material shortages), financial risks (such as price increases and market changes), compliance risks (such as violations of laws and regulations and company policies), and ESG risks (such as labor rights, occupational health and safety, business ethics and anti-corruption, conflict minerals), among others. The Company's internal management norms, such as the *Supply Chain Management System* and the *Supplier Management Processes and Standards*, as fully consider supply chain risks, and have conducted detailed risk control over each link in the supply chain.

According to requirements outlined in the *Supplier Risk Assessment Procedures* and the *Supplier Risk Management Control Procedures*, the Company identifies and carefully evaluates relevant risks, including ESG risks, that may arise in the supply chain every year, so as to perform in-depth analysis of specific mitigation measures against different types of suppliers. We also develop an annual audit plan to evaluate and assess suppliers for stimulating their continuous improvement, ensuring effective control of supply chain risks. For suppliers with high risks, the Company will limit the supply quantities and stop purchasing new products, and develop alternate suppliers. The Company continuously monitors and tracks the implementation of supplier risk management measures and evaluates their effectiveness periodically.

2.4 Indicators and Targets

Indicators and Targets		Achievement in 2024
No disruption to operations		Targets achieved The Company experienced no incident that the task failed to complete due to supply chain disruptions
The ESG risks in the supply	No incidents of child labor and forced labor among suppliers	Targets achieved
	The Company's <i>Conflict Minerals</i>	Targets achieved

chain are effectively managed	<i>Procurement Policy</i> and <i>Commitment Letter for Not Using Conflict Minerals</i> have been communicated to 100% of our suppliers	
	100% of supply chain enterprises do not use illegal conflict minerals	Targets achieved

3. Insisting on Quality for Continuous Improvement of Product Quality and Competitiveness

Sustainable Development Goals of the United Nations (SDGs)



3.1 Driven by Innovation

3.1.1 Governance

New quality productive forces, with innovation at its core, are the key driving force for enhancing the core competitiveness of the Company. With adherence to long-termism, DSBJ continuously improves the technological innovation system, and accelerates the cultivation and development of new quality productive forces. The R&D departments of the Company's various divisions plan research and development according to business needs, implement various tasks of R&D innovation at the execution level, and collaborates closely and efficiently with sales, production, and other departments, ensuring advanced and applicable product R&D and technology research through end-to-end cooperation from R&D to production to market promotion.

3.1.2 Strategy and Management Mechanism

With the mission of "building a better connected world for tomorrow", DSBJ keeps pace with the national major strategies and industry development trends. We, based on the market demand, continuously increase our R&D investment and strengthen R&D management to build cutting-edge technology platforms with more technology breakthroughs and accelerated application transformations, thereby contributing to the industry's innovative development.

3.1.2.1 Innovative R&D management

Based on accurate knowledge in customer needs, the R&D departments of the Company's various divisions have established comprehensive open R&D systems and efficient R&D innovation mechanisms to conduct innovative research covering various aspects, including material development, structural design, electronic design and product application research. They keep pace with technology frontiers to enhance independent innovation capabilities and solidify the foundation for high-quality development.

Sound R&D management	By developing and implementing the <i>R&D Cycle Management Procedures</i> and establishing a sound R&D project lifecycle management system, the Company continuously standardizes and optimizes key R&D stages such as quotation, design, sample, trial production, mass production to accelerate the development process of innovative products, thereby timely converting the Company's key technologies into actual products to achieve the transformation of scientific and technological achievements.
Security of funding for scientific research	<p>With continuously increased investment in science and technology innovation, the Company is exploring the cutting-edge manufacturing technology of the core devices in the field of intelligent interconnection and interoperability through ongoing investment in the R&D of new materials, new technologies, new processes, etc., in order to lay a solid foundation for serving the future innovative business like AR/VR, IoT, Mini LED displays, and new energy vehicles.</p> <div data-bbox="478 1626 1339 2033"> <p>Mutto Optronics has established an earmarked funding mechanism for scientific research, according to which special funds are allocated to research projects with different development cycles. Mutto Optronics regularly tracks fund utilization and project development progress, ensuring effective and rational use of research funds to guarantee the smooth implementation of research projects.</p> </div>

Enhanced innovation incentives	Insisting on people-oriented innovation, the Company had combined innovative management with incentive mechanisms. We have provided R&D personnel with daily assessment incentives and technology-specific incentives and implemented equity incentive plans covering core management personnel and technical talents, so as to encourage employees to participate in technological innovation and to stimulate the vitality of the talent and the organization.
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● Establishment of a Technology Innovation Platform

The Company has established a high-level and open technology innovation platform along with a comprehensive innovation system. Through collaboration with customers to conduct technological innovation research and tackle key technical challenges, we have promoted research into key technologies and facilitated their transformation into practical applications, so as to provide the continuous driving force for the Company's innovative development. Leveraging its extensive corporate technical expertise, the Company has undertaken scientific research on key and challenging process technologies within the industry. This effort has yielded numerous advanced results, patents, and standards, all bearing independent intellectual property rights. Through proactive promotion and application, the Company has successfully transformed these scientific and technological achievements into new quality productive forces. This ongoing endeavor leads to a continuous technological innovation and product upgrades, creating sustained value for the development of the industry.

DSBJ's parent company and MFLEX Yancheng, Suzhou Dongyue, Yancheng Dongchuang, Rf Top Electronic, Yongchuang Technology, Yancheng Dongshan, Suzhou Dongdai have been qualified as "high-tech enterprises";

Mutto Optronics has been recognized as a "high-tech enterprise", specialized and sophisticated enterprise that produce new and unique products with the title of "little giant", "specialized and sophisticated SME that produce new and unique products" and an "Enterprise Technology Center in Jiangsu Province" and "Engineering Technology Research Center in Jiangsu

Province”;

Suzhou Dongyue has been recognized as a “Suzhou Engineering Technology Research Center”.

● **Build an Innovative Talent Team**

Building an innovative talent team is the cornerstone of technological innovation. Leveraging the leadership of top-tier talent, the Company has established a global R&D team of technical experts known for their exceptional skills, extensive industry experience, and strong innovation capacity. By fostering an open, inclusive, and results-driven research environment, the Company continues to strengthen its core technological R&D and independent innovation capabilities, fueling its long-term growth with continuous innovation.

With more efforts continuously paid to the employment of high-end technology talents, the Company has selected R&D talents who align with the Company’s values and possess excellent qualities, solid professional backgrounds, and high potential, to build professional R&D teams covering three major business segments, namely, electronic circuit, photoelectric display, and precision manufacturing. In addition, the Company provides comprehensive support for R&D talents, including dedicated one-on-one training, rewards and promotion aiming to particularly outstanding talents, who are deemed as the key training objects of their positions.

In addition to regular technical training organized by the Company, we invite suppliers, famous experts and scholars to come to the Company for technical exchanges and lectures through internal training, seminars, and other forms and encourage employees to strengthen academic exchanges to help them grasp innovative technologies and industry trends. We also employ external industry experts to be our R&D consultants to help improve the professional level of the technical staff, thereby achieving the independent research and development of the innovative core technologies. Furthermore, the Company actively conducts various forms of technical innovation activities such as skills competitions to encourage employees to innovate in their positions and fosters an innovative culture that encourages experimentation and tolerates failure throughout the Company to help employees maintain the best state of continuous innovation and development. In 2024, all of the Company’s divisions carried out different forms of engineering skills competitions to help engineers improve their technical skills and stimulate their innovation abilities.

3.1.2.2 Industry-Academia-Research Cooperation

The integration of industry, academia, and research is an important driving force for the Company's technological innovation. The Company actively engages in in-depth collaborations with universities and scientific research institutions to accelerate the research and application of cutting-edge technologies, thereby driving resource integration across the industrial chain and enhancing its competitiveness.

DSBJ has established a joint R&D center for frontier robotics technologies with Shanghai Jiao Tong University to deepen collaboration in humanoid robot R&D and design, industrial automation applications, and cutting-edge technology exploration, thereby fostering the development of new quality productive forces.

MFLEX Yancheng signed a collaborative R&D agreement with Suzhou University of Science and Technology to jointly develop the "FPC surface magnetron sputtered metal shielding layers and metal layer protective coating technology", enhancing the performance of FPC products.

Mutto Optronics carried out industry-academia-research cooperation with Suzhou University to develop innovative touchscreen products that meet market and customer demands by optimizing product structures and manufacturing processes.

DSG established joint laboratories with Singaporean universities and research institutes to apply cutting-edge research technologies and results to the Company's product development and production, in order to research and strategically plan the materials, processes and technologies involved in the Company's future products. In 2024, the DSG Joint Laboratory launched three collaborative projects.

3.1.2.3 Technology Ethics

The Company complies with ethical norms in technology and advocates for cultivating social responsibility values. Drawing upon independent innovation and emphasizing the significance of intellectual property rights, the Company prioritizes key technologies while upholding excellent

quality standards. We are committed to refraining from developing or utilizing scientific and technological products that pose harm to the natural environment, human health, public safety, or ethical standards. Through the development of innovative and practical new products, technologies, and processes, we spare our efforts to contribute positively to social progress.

With the widespread adoption of artificial intelligence applications, the Company has developed the *Guidelines for Safe Artificial Intelligence Software Development Cycle*, emphasizing ethical compliance in the production of AI applications and the management of generated data to ensure that AI outputs meet moral standards and respect privacy rights. For the use of generative AI products, we formulate and publish detailed usage policies, clearly requiring employees to adhere to social norms and company policies and strictly prohibiting the generation, replication, publication, or dissemination of any content that may violate laws and regulations, or that may be inappropriate, offensive, or discriminatory.

3.1.2.4 Protection of Intellectual Property Rights

The Company attaches great importance to the protection of intellectual property rights. We strictly abides by the relevant laws and regulations, such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and the *Implementation Rules on the Patent Law of the People's Republic of China*, and have formulated management systems such as the *Intellectual Property Management Procedure* and the *Confidentiality Agreement* to comprehensively strengthen the creation, utilization, protection, and management of intellectual property rights and protects the related structural design, preparation methods, and process of core technologies. While safeguarding our independent intellectual property rights, we fully respect the intellectual property rights of others. We commit to avoiding infringement of others' intellectual property rights, and conscientiously fulfilling confidentiality obligations, especially in technical and business cooperation with partners. Without written permission, we disseminate no experimental samples, professional data, and technical indicators to any third parties. Through these initiatives, we have maintained a fair competition order to ensure the healthy development of the market.

- **Prevention and control of intellectual property infringement risks.** To address the risk of intellectual property infringement, the Company has established a mechanism for identifying

and warning intellectual property infringement risks and conducted comprehensive assessments of potential infringement risks related to the Company's innovative technologies. If it is detected that the potential risks are significant, the Company will mitigate potential patent infringement risks in R&D projects by adjusting other process technologies or characterization methods. Before submitting patent applications to the National Intellectual Property Administration, it needs to conduct patent searches, and if there are similarities in patents, core technology upgrades are initiated.

- **Enhancing intellectual property training.** The Company places significant emphasis on enhancing employees' awareness of intellectual property protection. We conduct regular intellectual property training sessions to strengthen employees' recognition and understanding of intellectual property protection by explaining relevant cases of intellectual property infringement, thereby increasing employees' awareness of confidentiality regarding the Company's key core technologies and core products.

3.1.3 Impact, Risk, and Opportunity Management

To effectively address various risks such as rapid technological iteration, market competition risks, intellectual property risks, and policy and regulatory risks, DSBJ emphasizes cross-functional teamwork in R&D, marketing, and production, closely following market trends, technological trends, and policy developments, to ensure that product development is closely aligned with customer needs, thereby enabling rapid response to market changes and reducing the risk of deviation in R&D innovation. Throughout the full lifecycle of R&D projects, the Company systematically conducts risk identification, assessment, and monitoring, and dynamically adjusts R&D risk management strategy based on evolving internal and external conditions to ensure controllable risks across all R&D activities.

3.1.4 Indicators and Targets

Indicators and Targets		Achievement in 2024	
		Targets achieved	
Ensure R&D investment		The amount of R&D investment in 2024 totaled RMB 1.267 billion, accounting for 3.45% of revenue.	

	Targets achieved
Increased number of patent applications and grants	<p>An annual increase of 140 effective patents, with a cumulative total of 954 effective patents obtained</p> <p>An increase of 51 software copyrights within the year, with a cumulative total of 115 software copyrights obtained</p>

3.2 Quality Priority

3.2.1 Governance

As excellent product quality is the cornerstone of industrial development, the Company continuously strives to deliver products of the utmost quality and reliability. The Company has established a product quality and safety working group, which is composed of various division quality management centers or quality departments of different business segments. This group is responsible for the product quality management work of each business segment, including formulating quality policies and objectives, and the construction, implementation, and continuous improvement of the quality management system to ensure that each link meets quality standards. At the same time, the Company has established a cross-departmental collaboration mechanism and works together with R&D, procurement, production, and other functional departments to ensure that hazardous substances in the Company's products comply with applicable laws and regulations, and customer requirements.

The Company has established a series of quality management policies in accordance with international standards such as ISO 9001, IATF 16949, AS 9100, ISO 13485, VDA 6.3, and ISO 9004 in combination with customer audit requirements, which include the *Quality Management Manual*, the *Research and Development Cycle Management Procedure*, the *Incoming Material Inspection Procedure*, the *Final Quality Inspection Procedure*, the *Non-conforming Product Control Procedure*, the *Corrective and Preventive Action Procedure*, the *Customer Quality Complaint Handling Procedure*, etc.. With these quality management policies, we have ensured the high reliability and high consistency of products throughout their full lifecycle.

3.2.2 Strategy and Management Mechanism

DSBJ anchors its operations in customer needs. By integrating customer needs and high-

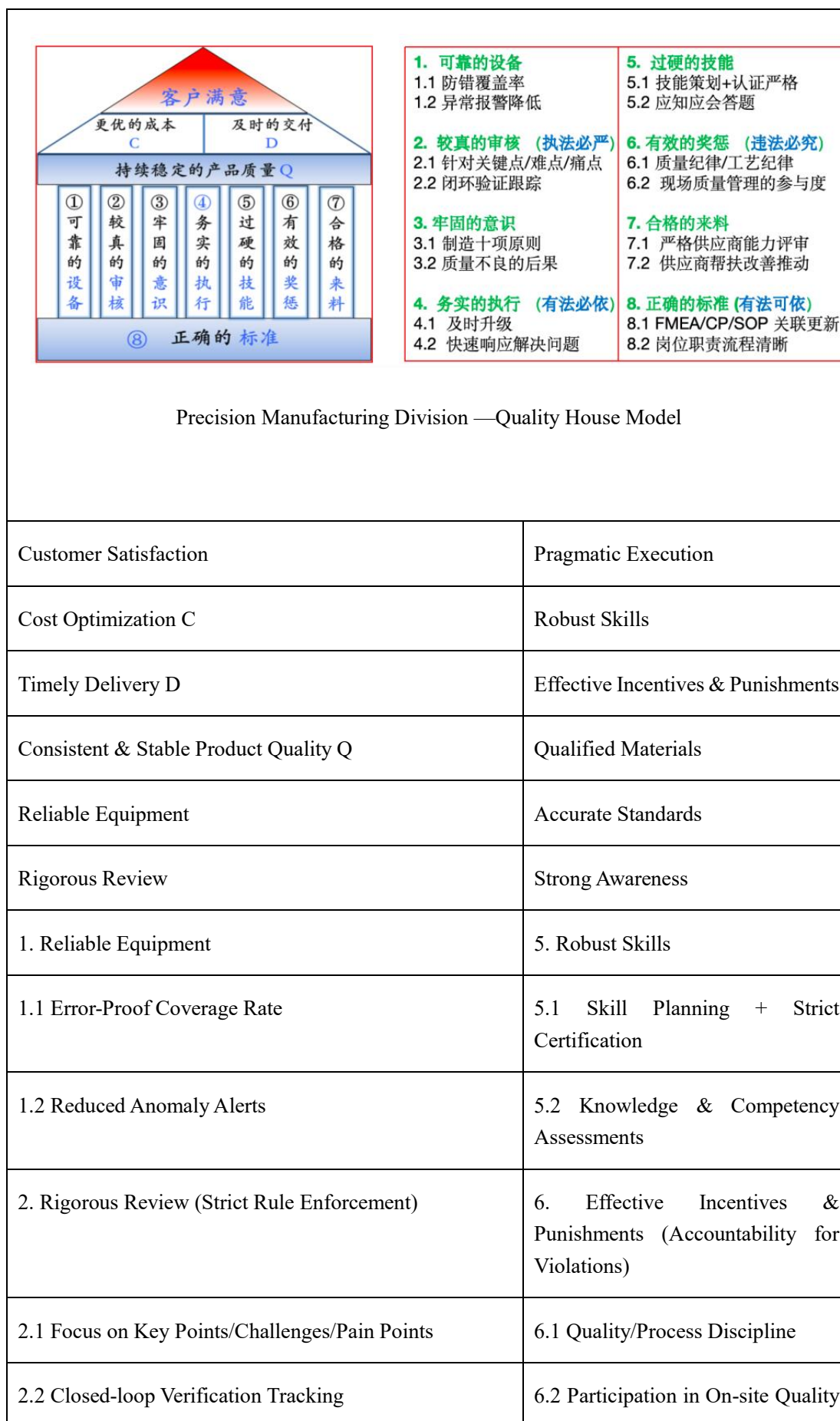
standard quality requirements into every phase of the business chain, namely, from product design, R&D, procurement, and production to sales and post-sales services, DSBJ has implemented strict quality risk management throughout the product lifecycle. We have achieved efficient and precise control relying on an intelligent manufacturing system, ensuring the delivery of customer-satisfying, high-quality products.

The Company's main production and operation bases have all obtained **ISO9001 quality management system certification and IATF16949 quality management system certification.**

3.2.2.1 Full Life Cycle Quality Management

R&D quality management	The Company standardizes the research and development management process and carries out new product development design in accordance with <i>the Research and Development Cycle Management Procedure</i> in order to prioritize controlling important nodes throughout the new product development process to enhance the quality of our R&D efforts.	Digital quality management Through the establishment of an intelligent information fusion production system centered on data with deep interaction across multiple platforms and systems, the Company leverages systems such as Lesson Learn, E-Audit, QMS, SRM, MES to strengthen statistical analysis of quality information data throughout the entire process, thereby promoting the construction of smart factories and systematically improving product quality.
Project quality management	With a more accurate understanding of customer requirements, the Company develops project control plans and clarifies project control standards to ensure project management quality strictly through scientific methods.	
Manufacturing process quality control	The Company comprehensively identifies the key processes and elements of the manufacturing process management from the perspectives of “people, machines, materials, methods,	

	environment, and measurement” to strengthen the process quality control through quality control processes, thereby ensuring the reliability and consistency of product quality.	
Supply chain quality management	<p>The Company requires suppliers to pass quality management system certifications such as ISO 9001, and IATF 16949, and conducts new supplier certification, new material certification, incoming material inspection, and supplier performance management according to system documents such as the <i>Incoming Material Inspection Procedure</i>. For detailed information, please refer to the chapter “Excellent Governance for Stable and Efficient Operations/Sustainable Supply Chain” in this report.</p>	
Customer demand response	<p>The Company has established an efficient customer response mechanism according to the <i>Control Procedures for Processes Related to Customers</i> to ensure that customer needs can be agilely responded to and clearly reflected and implemented in all aspects of the business chain while guaranteeing the high quality of products, thereby delivering high-quality products that satisfy customers.</p>	



	Management
3. Strong Awareness	7. Qualified Materials
3.1 Ten Manufacturing Principles	7.1 Strict Supplier Capability Evaluation
3.2 Consequences of Quality Failures	7.2 Supplier Improvement Support
4. Pragmatic Execution (Rule Compliance)	8. Proper Standards (Based On Law)
4.1 Escalation Protocol	8.1 FMEA/CP/SOP Alignment Updates
4.2 Rapid Problem Resolution	8.2 Clear Role & Process Responsibilities

● Quality Inspection System

In order to better prevent potential product safety and quality issues, the Company has established a product and process reliability testing process and evaluation standards to achieve full process product reliability risk management for technical elements, product development, and mass production processes. We continuously improve quality standards and inspection procedures and conduct strict inspections on products in strict accordance with the requirements of the *Incoming Material Inspection Operation Management Measures*, the *Process Inspection Operation Management Measures*, and the *Product Inspection Control Procedures* throughout the entire quality management process including incoming material inspection, intermediate product inspection, packaging material inspection, and product inspection. Through real-time trend analysis and monitoring of product inspection, we ensure that strict quality control is carried out at every stage from the entry of raw materials to the exit of products. For new or potential quality problems, we prioritize preventive testing solutions such as error prevention and equipment automation to ensure that key quality elements are properly controlled.

The Company has set up multiple laboratories equipped with advanced research and

development equipment and testing instruments to conduct adhesion tests, solvent resistance tests, hardness tests, impact resistance tests, salt spray tests, etc., to provide long-term services for new product research and development, mass production product quality control, and after-sales service. In terms of special testing, the Company has established long-term cooperative relationships with authoritative and certified third-party laboratories and arranges to send third-party laboratories for testing of items that cannot be accurately tested in-house or products that require test reports issued by authoritative organizations.

Products must pass through product safety and reliability tests before mass production and those failure to pass through the tests shall receive continuous improvement until they are qualified, so as to ensure that the product meets customer acceptance testing requirements. Any problems found in the reliability testing process should be fed back to the production department for continuous review and improvement to ensure product quality and stability.

Key checkpoints for material and product inspection

Incoming material inspection	The Company conducts quality inspections on materials during the material incoming stage to ensure that the production materials and packaging materials meet requirements.	To ensure the effectiveness of inspections and tests at all stages, all measuring instruments are regularly calibrated with critical characteristic measuring instruments
Manufacturing process patrol and sampling inspections	The Company conducts patrol inspection on the manufacturing process and regular process capability analysis activities while monitoring the working process to ensure that intermediate products meet the requirements during the production process.	
Finished product inspection	The Company conducts strict inspections of finished products to ensure that only products on their appearances, functions and sizes meeting the qualified standard	

	requirements can be delivered and the finished products have met the shipping requirements.	receiving MSA evaluation.
Reliability testing	The Company implements reliability testing regularly to identify and intercept potential defects or risks in the products.	

● Product Recall and Non-conforming Product Management

The Company has established the *Product Recall Procedure* and the *Non-conforming Product Control Procedure* to standardize the management procedures for non-conforming products and clarify the responsible departments for each process to strictly control quality. If any defective product causes an accident, the Company will immediately take damage control measures to identify the cause of the defect and completely eliminate the problem, and carry out review work in a timely manner to make continuous improvement from both technical and management aspects to prevent the recurrence of quality incidents.

● Quality Culture for all Employees

The Company continues to strengthen its quality culture development by implementing annual quality training programs for all employees. These programs cover quality philosophy, quality control methods, and corrective action implementation, etc., to enhance all employees' awareness and competencies in quality management. Concurrently, we carry out diversified quality improvement initiatives and routinely disseminate quality management best practices in the Company. Through various quality management promotion campaigns such as quality months, Quality Control Circles (QCC), etc., the Company has cultivated a cultural atmosphere of "everyone cares about high quality, everyone creates high quality, and everyone enjoys high quality".

Quality training covers 100% of all quality-related employees.

Multek held an annual	The	precision	Rf Top Electronic held a quality
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quality work summary and commendation conference to recognize factories, teams, and individuals with outstanding contributions, setting benchmarks and role models.	manufacturing division held an engineering skill competition named “Building the Future through Craftsmanship” to enhance engineers’ problem-solving skills.	competition, including an online competition involving all employees and an internal auditor knowledge competition, to enhance overall quality awareness. The company also implemented rigorous “strict input-output” improvement projects targeting identified quality vulnerabilities, executing specialized corrective initiatives to elevate product quality and customer satisfaction.
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3.2.2.2 Product Chemical Safety

The Company is dedicated to minimizing environmental impacts associated with our operations. To address this, we have established a chemical safety working group responsible for advancing chemical safety management issues such as chemical risk identification, hazard prevention, emergency response strategies, and the development of phase-out plans for hazardous chemicals. We have systematically catalogued and formulated a comprehensive list of chemicals required for and resulting from our production processes. Additionally, we have implemented whole-process management for the use of chemical substances throughout the entire process from procurement to the final stages of usage, so as to strictly manage hazardous chemical substances present in raw materials and products, and throughout the manufacturing processes. At the same time, the Company has also set chemical safety-related targets and regulates the completion of these targets as an important part of management’s performance evaluation, to ensure the reduction of chemical substances that affect human health and the environment in the Company’s production operations to a minimum.

● Commitment and Declaration

The Company complies with the requirements of *the EU Directive on the Restriction of*

Hazardous Substances in Electrical and Electronic Equipment (RoHS) (including extended directives), the EU Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the Norwegian Prohibition on Hazardous Substances in Consumer Products (PoHS), the International Electrotechnical Commission's Standard on Material Declaration for Products of and for the Electrotechnical Industry (IEC 62474), the Canadian Prohibition of Certain Toxic Substances Regulations (SOR/2012-285), etc. We insist on producing excellent products in line with green environmental protection norms and promise that the content of hazardous substances in raw materials, parts, assemblies and finished products in the Company has met the requirements of RoHS, REACH and other HSF laws and regulations as well as customer specifications. We also carry out investigations and third-party testing for hazardous substance compliance according to the relevant standards, so as to ensure that the products produced and manufactured by us are all in compliance with the requirements.

Restricted Substance Commitment

100% of our products are in compliance with the latest regulations on restricted substances in products and customer specifications.

The Company carries out investigations and third-party testing for hazardous substance compliance on products to ensure that the content of harmful substances in the products is below the limits specified by laws, regulations, and customer specifications. The hazardous substances include but are not limited to:

- EU RoHS Directive 2011/65/EU (RoHS 2.0) and its amended directive (EU) 2015/1863: lead and its compounds (Pb), cadmium and its compounds (Cd), mercury and its compounds (Hg), hexavalent chromium and its compounds (Cr~6+), polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), bis(2-ethylhexyl) phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), and diisobutyl phthalate (DIBP)
- EU (EU) Directive 2019/1021 (EU Persistent Organic Pollutants Directive): hexabromocyclododecane (HBCDD)
- Halogen-free material management requirements: fluorine (F), chlorine (Cl), bromine (Br), iodine (I)
- REACH substances of very high concern

● Improvement of Hazardous Substance Control List

In accordance with laws and regulations, industry standards, and international conventions on hazardous chemical substance such as RoHS and REACH, the Company, combined with hazardous substance control specifications and management documents received from clients, has formulated a detailed and dynamically updated *Hazardous Substance Control List* to specify the restricted chemical substances in use and manufacturing process. At the same time, the Company has established elimination, replacement, or reduction plans for prohibited and restricted chemicals in the *Hazardous Substance Control List*, strictly prohibiting the re-importation of phased-out substances into any production and non-production stage.



Hazardous Substance Control List

RoHS 2.0 Revised	Appendix XVII
POPs Regulations	SVHC
TSCA Act	New National Standard for VOC
California Proposition 65	PAH Regulations
REACH Regulation	Customer Requirements
Appendix XIV	Hazardous Substances Control List

● Chemical Substance Control Management Throughout the Product Lifecycle

For chemicals involved in product design and manufacturing processes, the Company has established a full lifecycle management system for hazardous substances in the products through a series of toxic and hazardous substance and chemical management institutional norms developed by the Company, such as the *Chemical Management Procedure*, the *Hazardous Substance Risk Management Procedure*, the *Measures for Restriction of the Use of Hazardous Substances in Electrical and Electronic Products*, and the *Product Environmental Management Standards*, to prevent and control potential risks of hazardous substances in products to ensure the safety.

When there are significant adjustments in relevant laws and regulations or company policies,

the Company will update and adjust the hazardous substance management regulations in a timely manner and send them to all suppliers synchronously. The suppliers are required to fill in the *Hazardous Substance Evaluation & Declaration Report* again and the Company will manage and audit the suppliers according to the latest standards. The Company maintains a continual assessment of the hazards associated with chemicals used across various stages of the product manufacturing process. We integrate environmental and health standards throughout all phases, from product development design to production, to establish a management mechanism together with implemented action measures to prevent the use of hazardous substances. This initiative enables us to build a comprehensive hazardous substance management system to achieve comprehensive oversight and control.

The Company regularly conducts chemical safety training. Employees are required to attend corresponding training on environmental hazardous substance control to systematically learn RoHS basic knowledge and customer requirements, IECQ QC 080000 hazardous substance process management, internal procedures for environmental hazardous substance control, chemical safety, and other knowledge. In addition, the Company actively maintains close communication with suppliers and partners, providing hazardous substance management training to suppliers to ensure that they understand and comply with relevant standards and requirements. DSBJ and its subsidiaries, namely, Dongshan Sheet Metal, Mutto Optronics, Yancheng Dongchuang, Multek Industries, Multek China Ltd., etc. have all been certified through the IECQ QC 080000 hazardous substance process management system.

Product Lifecycle Management

R&D and
design

The Company has established a complete process specification for chemical product design, development, and use. We review new products according to the *R&D Cycle Management Procedure*, combining with design drawings, inspection standards, clients' HSF requirements and HSF laws and regulations. We assess our designs according to the *RoHS Design Control Procedure* and specify that it is prohibited to use the Company's level I hazardous substances

	in the design of all material control drawings. Materials selected during the assessment phase must pass RoHS certification and provide third-party test reports such as MSDS/SGS simultaneously.
Green procurement	The Company continues to carry out green procurement and requires products provided or processed to comply with the Environmental Hazardous Substance Control Standards and the requirements of relevant laws, regulations, and government directives. Suppliers are required to provide declaration reports annually (e.g. Multek suppliers are required to provide the <i>Hazardous Substance Review & Declaration Report</i> annually), third-party hazardous substance test reports (including RoHS test reports/REACH reports) and updates. Only chemicals that have passed compliance audits can be allowed for use.
Manufacture process management	In order to ensure that chemicals are purchased, handled, stored, dispensed, used, discarded, and disposed of in an emergency in a safe manner, avoiding hazards to human health as well as preventing pollution accidents, each business segment has formulated the Chemical Management Procedures, Guidelines for Safe Work in Chemical Storage and other institutional norms to improve the on-site management of hazardous chemicals throughout the entire process.
Delivery management	In strict accordance with product design management specifications and related shipping management procedures, the Company has confirmed that the components and materials constituting the products are in line with the <i>Hazardous Substance Control List</i> under shipping inspection items or customer-specific requirements. We entrust third-party testing institutions to conduct inspections on hazardous substances under customer requirements to ensure that the hazardous substances contained are below the limits required by laws, regulations, and customer specifications. Qualified products should be labeled with environmental compliance labels or attached with the necessary test reports and conformity declarations, etc., according to relevant requirements.

● Chemical Replacement

Under the long-term goal of gradually eliminating hazardous chemicals, the Company explores improvement opportunities in the management of restricted substances by continuously tracking domestic and international legal and regulatory dynamics, and benchmarking the latest standard requirements of mainstream customers. Moreover, the Company also promotes various business segments to formulate advanced hazardous substance phase-out plans, actively carrying out chemical reduction and substitution efforts.

Product hazardous substance reduction plan of Yancheng Dongchuang

Material Categories	Regulated hazardous substances	Permitted concentration
Raw materials and products	Mercury and mercury compounds	Non-detectable
	Hexavalent chromium and its compounds	Non-detectable
	Polybrominated biphenyls (PBB)	Non-detectable
	Polybrominated diphenyl ethers (PBDE)	Non-detectable
	Benzyl butyl phthalate (BBP)	Non-detectable
	Dibutyl phthalate (DBP)	Non-detectable
	Diisobutyl phthalate (DIBP)	Non-detectable
	Bis(2-ethylhexyl) phthalate (DEHP)	Non-detectable
Ink	Lead (Pb)	Non-detectable
Metal	Cadmium and its compounds	Non-detectable
CCL/PP/Inks/Important chemicals and products for manufacturing process	Organic halogen compounds (only bromine and chlorine)	Halogen content 93% Halogen-free 7%
All packaging materials	Cadmium, lead, mercury, hexavalent chromium	Cd + Pb + Hg + Cr (VI) < 100ppm, and Cd < 5ppm Pb, Hg, Cr (VI): non-detectable

Note: The allowable concentrations of hazardous substances for the above products are scheduled to be achieved in stages from 2025 to 2026.

[Case] MFLEX Yancheng UV laser protection film window project

In 2024, MFLEX Yancheng made great efforts in the research and development of the UV laser protective film window project. This project employs laser technology to achieve high-efficiency solder mask opening processes. By eliminating developing lines, it reduces chemical pollution

from wet processes, while phasing out photosensitive inks minimizes volatile organic compound emissions. These streamlined workflows further optimize facility space utilization.

3.2.3 Impact, Risk, and Opportunity Management

During the quality risk assessment process, DSBJ systematically identifies multiple potential risks, including design/R&D risks, raw material/supply chain risks, production/process risks, hazardous substance risks, and regulatory compliance risks. With continuously strengthened quality risk management, the Company promotes all business segments to establish internal institutional norms such as the *Risk Management Rules for Quality Management System Process* and the *Organizational Environment and Risk Control Procedure*, clearly defining the processes of and requirements for quality risk identification, analysis, evaluation, mitigation, and monitoring. Through various risk management tools, such as Advanced Product Quality Planning (APQP), Measurement System Analysis (MSA), In-Process Quality Control (IPQC), Statistical Process Control (SPC), Failure Mode and Effects Analysis (FMEA), Control Plans (CP), and Production Part Approval Process (PPAP), we have formulated corresponding control measures for different levels of quality risks, strictly controlling potential quality risks throughout the product lifecycle. To ensure the effective operation of the quality system, the Company has established a comprehensive quality audit mechanism, and encouraged all business segments to formulate the 2024 audit plan, including internal quality audits, third-party system certification audits, and customer audit inspections. These initiatives can help us identify potential issues and non-conformity in a timely and accurate manner, ensuring the effectiveness of the quality management system.

In addition, the Company regularly conducts the identification, assessment, and control of hazardous substance risks based on the overall risk management normative framework and documents such as the *Hazardous Substance Risk Management Procedure* and the *Supplier's Hazardous Substance Management Procedure*, in order to safeguard product quality and safety.

3.2.4 Indicators and Targets

Indicators and Targets	Achievement in 2024
No customer complaints for hazardous	Targets achieved

substance	
None of the supplier's incoming materials violate the HSF standards.	Targets achieved

3.3 Professional Services

3.3.1 Customer Relationship Management

Guided by a customer-centric approach, DSBJ strives to provide customers with comprehensive, one-stop, and technologically advanced solutions to meet their customized needs. We continuously the customer service system to ensure quick responses and efficient handling of customer requests, thereby establishing a good and long-term relationship with customers.

● Quality Service

By deeply understanding the expectations and needs of our customers, we provide personalized solutions to customers and are committed to responding to customers with reliable services promptly throughout the entire customer service process covering pre-sale, in-sale, and after-sale stages. We render efficient, professional and high-quality services oriented towards customer needs.

Improving service system	Subject to service management systems such as the <i>Control Procedures for Processes Related to Customers</i> and the <i>Customer Satisfaction Management Procedures</i> , we streamline the entire service process covering pre-sale, in-sale, and after-sale stages, to promote the standardization and efficiency of service processes.
Facilitating communication channels	We communicate with customers through multiple channels such as emails, phone calls, video conferences, and offline visits, and regularly meet customers to listen to their opinions and feedback on the Company and its products and promptly address any issues raised by customers, thus establishing a good trust relationship with customers.
Responding demands promptly	<ul style="list-style-type: none"> After receiving customers' service requests, we respond efficiently and arrange personnel to provide service support in a timely manner. We adopt digital technologies such as automation and artificial intelligence to expedite the order processing speed and the confirmation

	of customer order-related information, enhancing the efficiency and accuracy of customer service.
Professional service support	<p>Through more excellent service awareness and professional skills training, we improve the service response system and elevate our professional service capabilities.</p> <ul style="list-style-type: none"> MFLEX Electronics established customer reception offices by region, implementing 24-hour service support through a structure of “dedicated personnel stationed at specific points + flexible personnel”. Suzhou Dongyue set up an exclusive service team for its key customers, which provided one-stop and comprehensive services covering early project docking, product customization development and continuous tracking after mass production delivery.

● Customer Complaint Management

The Company values customers’ opinions and feedback and drives various business segments to improve their customer complaint management. The Company has formulated a series of institutional documents, such as the *Customer Complaint Handling Process*, the *Customer Complaint Handling Process Management Measures* to establish an efficient response and processing mechanism. For customers’ feedback, we have carried out an analysis and made active rectifications to ensure that our solution can meet the requirements of the customers.

Complaint Handling Process

Timely processing	Exception investigation	Improvement tracking
Customers can file complaints or provide feedback through the 24-hour toll-free service hotline. The Company will promptly handle customer complaints with a focus on understanding the issues thoroughly, and maintain	The Company will investigate the defective products and related matters based on customer feedback.	The Company will analyze the reasons and provide timely feedback to customers, clarifying corrective and preventive measures for such events with prompt correction and prevention of related problems.

detailed records of customer complaints and solutions.		
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Customer complaint response rate is 100%

Customer complaint resolution rate is 100%

● Customer Satisfaction Management

The Company mandates all business segments to establish an institutional framework composed of the *Customer Satisfaction Management Procedures*, the *Service Delivery and Customer Satisfaction Management Procedures*, and the *Customer Satisfaction Monitoring and Measurement Guidelines*, etc. We conduct regular customer satisfaction surveys across key functional areas such as procurement, quality assurance, engineering, technical support, and customer service, and make systematic customer follow-ups according to findings from these surveys, enabling timely identification of issues and implementation of targeted improvement measures to continuously enhance product and service quality.

MFLEX's customer satisfaction rate: 98%	Multek's customer satisfaction rate: 96%	LED division's customer satisfaction: 96%
Touch control division's customer satisfaction: 91%-96%		Precision manufacturing division's customer satisfaction: 92%-98%

3.3.2 Responsible Marketing

With adherence to a scientific, rigorous, and responsible marketing promotion concept, DSBJ strictly complies with the *Consumer Rights Protection Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China* and other laws and regulations and relevant provisions. We have formulated a series of institutional norms, such as the *Sales Management System*, the *Market Development Management Specifications*, and the *Project Operation Management Specifications*, which provide accurate and comprehensive information in market development, customer sales, and product labeling management, ensuring that products are promoted in an ethical, scientific, and objective

manner.

- **Marketing Compliance Management**

The Company continues to improve the responsible marketing compliance management system and clarifies marketing compliance responsibilities and processes. In the marketing promotion process, with strict adherence to anti-unfair competition and anti-monopoly requirements, all promotional information should be accurate, clarified, and transparent, and any violations in marketing activities should be promptly addressed. In accordance with the *Code of Business Ethics* and other documents, it is clearly provided that, when employees expand business and engage in commercial activities, they should comply with relevant national laws and regulations and the Company's code of ethics and conduct external business activities in accordance with the Company's procedures and disciplines.

- **Marketing Review Management**

The Company establishes a standard process for product information generation and review to ensure all information is verified. With a multi-party review mechanism established, product information is required to be reviewed by R&D, quality, legal, marketing, and other departments to ensure accuracy and compliance, and free of any false, exaggerated, or misleading information. If necessary, third-party organizations will be introduced for independent reviews to ensure the information is objective and accurate.

- **Responsible Marketing Training**

The Company promotes each business segment to formulate an annual responsible marketing training plan. Yancheng Dongshan and MFLEX Electronics regularly conduct specialized training for marketing personnel on product knowledge, responsible marketing-related regulations, customer communication, business ethics, etc. Through these initiatives, we can ensure that our employees accurately understand and convey product information, and are aware of and subject to related principles and regulations, so as to achieve ethical, scientific, and precise communication.

4. Advancing a Clean and Low-Carbon Production System for a Greener Future

Sustainable Development Goals of the United Nations(SDGs)



4.1 Environmental Management

Under the principle of prioritizing environmental protection, the Company integrates the concept of green development into its operations to minimize the impact on the environment while enhancing the Company's competitiveness, so as to achieve a win-win situation between economic benefits and environmental protection.

● Environmental Management System

The Company strictly complies with environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, and continuously improves the environmental management system in accordance with the requirements of standards such as ISO 14001 environmental management system and ISO 50001 energy management system. The Company has set up an EHS working group composed of employees from the company headquarters and each division EHS department, responsible for coordinating, promoting, and supervising various business segments to plan and implement EHS

programs and objectives. The Company's EHS management system covers 100% of all relevant business segments.

Each business segment of the Company formulates a series of institutional norms such as EHS manuals, environmental management manuals, and related management procedures, and sets environmental management goals according to its own situation, such as zero environmental accidents, meeting emission standards, carbon reduction targets, etc. These goals are then separated and cascaded down to relevant departments, the completion of which is linked to the performance evaluation of relevant management personnel (in the form of a veto item, regular assessment item, bonus item).

Indicators and Targets	Achievement in 2024
No major environmental pollution incidents	Targets achieved
Ensuring 1 or 2 new entities are certified to management system, green low-carbon related systems or granted with honors	Targets achieved MFLEX: UL 2799 Zero Waste to Landfill, ISO 14067 Product Carbon Footprint Mutto Optronics: ISO 50001 Energy Management System JDI Electronics: ISO 50001 Energy Management System, ISO 14064 Greenhouse Gas Verification Yancheng Dongchuang: ISO 14001 Environmental Management System Suzhou Dongyue: ISO 14001 Environmental Management System

Total environmental investment for the year amounted to RMB 254,584,200.

MFLEX, Multek, Touch Technology Division, LED Division, part of plants of Precision manufacturing division (Rf Top Electronic, Suzhou Dongyue, Yancheng Dongchuang, Sheet Metal Plant), DSBJ PTE. LTD. has all passed the **ISO 14001 environmental management system certification**.

MFLEX Suzhou has been awarded the title of Jiangsu Province Green Factory and that of **Jiangsu Province Green Development Leading Enterprise**; and Multek Industries has been awarded the title of Guangdong Province Green Factory.

Multek China Ltd., Multek Industries, Multek Electronics, and Multek Technology have been recognized as the “**2023 Advanced Enterprise in Green Manufacturing and Environmental Protection**”.

MFLEX Yancheng, Multek China Ltd., and Multek Industries have passed the **clean production audit**.

● Environmental Risk Prevention and Control

The Company continuously improves the environmental risk control mechanism in combination with the requirements of the ISO 14001 environmental management system. We actively promote environmental impact assessments and hidden danger inspections in key plants, clarifying environmental factors that can be controlled and influenced in activities, products, and services, and supervising, following and managing their environmental impacts from a lifecycle perspective. We promote various production and operation entities to enhance environmental emergency management, formulate special plans for emergency environmental incidents and conduct special emergency drills, in order to improve their emergency response capabilities for environmental incidents to minimize environmental impacts.

● Environmental Audit

DSBJ has established an internal EHS audit mechanism to conduct regular environmental audits across all production units. The audit scope primarily covers, among others, EHS compliance, the operation status of pollutant treatment facilities, discharge of wastewater, waste gas, and solid waste, waste storage and disposal practices, storage and usage of hazardous chemicals, environmental hazard investigations, emergency response plans and emergency drills. The auditing methods include headquarters audits (quarterly), strict self-inspection by subordinate enterprises, and self-monitoring conducted by accredited third-party testing companies as needed. In addition, all operational bases regularly cooperate with regulatory authorities and external stakeholders to carry out external environmental audits. The Company sets rectification deadlines based on the

severity of audit findings, with dedicated departments continuously tracking corrective actions to ensure the applicability and effectiveness of the environmental management system.

● Environmental Protection Training

The Company regularly conducts special training activities on environmental protection, organizing employees to learn about environmental laws and regulations, standards, systems, and the implementation of environmental management through various forms, so as to help employees enhance awareness and capabilities in environmental protection. During the reporting period, the environmental protection training covered 100% of the main operating bases.



The Company's headquarters and MFLEX division organized a special seminar on zero waste to landfill



JDI Electronics environmental training



Environmental facility maintenance training in Dongchuang Plant of Precision Manufacturing Division



EHS Training in DSBJ PTE. LTD. (the Mexican branch)

4.2 Addressing Climate Change

4.2.1 Governance

DSBJ establishes a sound governance structure to continuously improve the identification,

assessment, management, and disclosure of climate risks and opportunities. The Board of Directors assumes a leadership role in the management of and decision-making on climate change issues. It is responsible for reviewing the assessment of ESG-related risks and opportunities, including climate change issues, and approving climate-related plans, targets and response programs and overseeing their implementation. The EHS working group is responsible for assessing and analyzing climate change risks and opportunities, formulating strategic goals and implementation plans to address climate change, and promoting the practice of relevant work through closed-loop management. This working group also regularly collects and tracks climate change-related data and target progress.

4.2.2 Strategy and Management Mechanism

After fully analyzing the risks and opportunities brought by climate change, DSBJ has integrated climate action into its corporate strategic decision-making. We incorporate green and low-carbon requirements throughout the entire project lifecycle - from planning and construction to operation - while promoting green transformation to strengthen climate resilience.

Category	Risk/Opportunity Description		Impacted Cycle	Potential financial impact	Response measures
Physical risk	Acute risk	<ul style="list-style-type: none"> Extreme weather events triggered by climate change (such as floods, typhoons, high temperatures, etc.) may cause direct damage to DSBJ's assets and production facilities, which will affect normal production and operations. 	Short-term, Medium-and-long-term	Operating revenue □ Operating costs □ Fixed asset value □	<ul style="list-style-type: none"> Strengthen the identification and management of climate change risks and improve emergency plans to enhance the ability to respond to extreme weather events, ensuring business continuity. Optimize the supply chain layout to reduce dependence on high-risk areas.
	Chronic risk	<ul style="list-style-type: none"> Rising temperatures and water resource risks may affect supply chain stability and increase operating costs. 	Long-term	Operating costs □	

Category	Risk/Opportunity Description		Impacted Cycle	Potential financial impact	Response measures
Transition risk	Policy and regulatory risks	<ul style="list-style-type: none"> Responses to policy changes may lead to increased company costs and strengthened operational constraints. 	Medium-term, Long-term	Operating costs □	<ul style="list-style-type: none"> Proactively connect with local policy authorities, timely researching, following up, and promoting policy changes to strengthen compliance management.
	Market and technological risks	<ul style="list-style-type: none"> Due to continuously increased customer demands for low-carbon products and green supply chains, the layout of green industries and technologies will enhance the competitiveness of the Company's products. However, since the low-carbon 	Medium-term, Long-term	Operating revenue □ Operating costs □	<ul style="list-style-type: none"> Incorporate climate change responses into corporate strategy and proactively deploy low-carbon technology research and development, low-carbon product development and industry layout to meet customer demands for low-carbon solutions, thereby

Category	Risk/Opportunity Description		Impacted Cycle	Potential financial impact	Response measures
		transformation requires significant technological innovation and process equipment upgrades, we may make a large investment in the research and development and application of low-carbon technologies.			enhancing market competitiveness. <ul style="list-style-type: none"> Clarify the Company's development path under the "dual carbon" goal", conducting a comprehensive assessment of investment returns and feasibility before implementing low-carbon transition projects and adopting the optimal solution based on actual conditions.
Climate Opportunities	Products and services	<ul style="list-style-type: none"> Seize opportunities in green industry development to create new product directions and solutions through low-carbon technology R&D and green product development, so as to enhance product 	Medium-term, Long-term	Operating revenue □	

Category	Risk/Opportunity Description		Impacted Cycle	Potential financial impact	Response measures
		competitiveness and explore new growth points.			
	Resource efficiency	<ul style="list-style-type: none"> Increased investment in low-carbon technology R&D can improve energy utilization efficiency, reduce production costs and enhance market competitiveness. 	Medium-term, Long-term	Operating costs□	<ul style="list-style-type: none"> By optimizing the energy structure and strengthening energy management, we tap into the emission reduction potential and reduce energy consumption costs.

4.2.2.1 Clean Technology Opportunities

Upholding the concept of green development, DSBJ has established a core strategic focus on the dual drivers of “consumer electronics + new energy” by integrating clean technology innovation into the company strategy. Under this strategy, we are fully concentrating on the two core tracks: consumer electronics and new energy. While steadily advancing its consumer electronics business, the Company leverages its technological expertise accumulated in consumer electronics and communication equipment to deeply expand into industries like new energy vehicle core components. With continuous innovative research and development in the field of new energy vehicle components, we have established an industrial development framework centered on consumer electronics and new energy vehicles, striding confidently toward a new era of green and high-quality development.

In recent years, the Company has accelerated its new energy business through a series of strategic layouts, including supplying new energy vehicle clients with electronic circuit products (FPC and rigid boards), vehicle displays, and functional structural components. Our acquisition of foreign enterprises such as Aranda, AutoTech US, and AutoTech Mexico, further consolidates the cooperative relationship with new energy vehicle and energy storage clients in North America. As the overseas production base in Mexico and the new energy vehicle component production base in Kunshan City have officially commenced operation, the synergy effects of the Company’s industrial chain continue to strengthen, providing more product solutions for customers in the new energy vehicle industry. In addition, the Company is actively laying out in the energy storage field, continuously expanding its product line to meet the market demand for high-performance battery management systems.

In 2024, DSBJ made significant progress in the fields of new energy such as new energy vehicles and energy storage business. The Company’s core business, electronic circuits, achieved sales revenue of RMB 24.8 billion. The new energy business realized a revenue of approximately RMB 8.65 billion with a year-on-year increase of 36.98%, accounting for about 23.52% of total revenue. Therefore, it has become a new growth driver for the Company’s high-quality development. In the future, the Company will continue to align its R&D and production expansion with the high-

end consumer electronics and new energy sectors, continuously diversifying product portfolios and solution offerings to contribute to the advancement of the global new energy industry.

While expanding into the green industry, the Company is also committed to providing more environmentally friendly high-quality products. By increasing the R&D and promotion of clean technologies, the Company actively applies new materials, new equipment, new processes and new technologies to provide more environmentally friendly solutions for the industry.

4.2.2.2 Low Carbon Operations

In active response to the national “dual carbon” initiative, the Company proactively formulates carbon neutrality goals and pathway planning and progressively drives all divisions to improve energy management frameworks and develop energy management target plans. We conserve energy and reduce emissions from three perspectives, namely, management-driven energy conservation, technological energy conservation, and energy structure optimization, to continuously enhance corporate energy management capabilities to achieve low-carbon operations.


The parent company of DSBJ and MFLEX Suzhou, MFLEX Yancheng, Multek Industries, Multek China Ltd., JDI Electronics, Mutto Optronics have all passed the **ISO 50001 energy management system certification**.

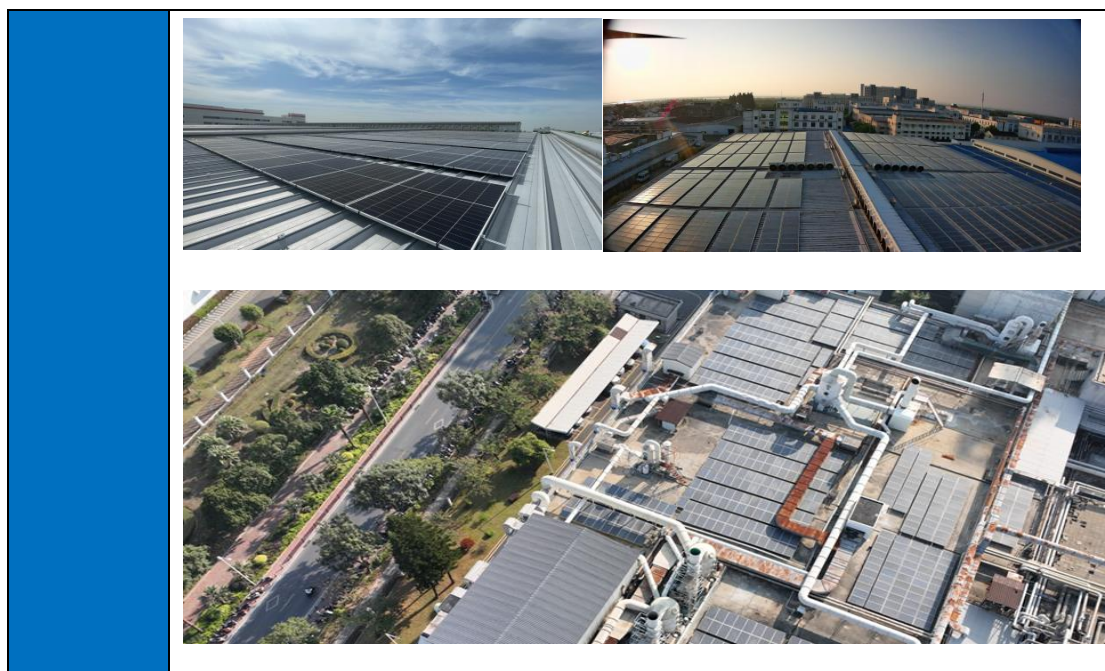
MFLEX, Multek, JDI Electronics, Mutto Optronics have all passed the **ISO 14064 Greenhouse Gas verification**.

MFLEX Suzhou and Multek Industries have all passed the **ISO 14067 carbon footprint certification**.

Management energy conservation

- The Company drives all divisions to formulate a series of institutional norms such as the *Energy Management Manual* and the *Energy Management Procedures*, establishing and improving energy conservation and emission reduction indicator systems, monitoring systems, and assessment systems to achieve controllable and manageable energy usage. We also establish an

	<p>energy conservation team to conduct energy-saving audits and manage review meetings for regular evaluation of energy management goals to ensure their steady progress.</p> <div><table><tr><td>01 On-site audit</td><td>04 Improvement tracking</td></tr><tr><td>02 Report submission</td><td>05 Improvement confirmation</td></tr><tr><td>03 Improvement plan submission</td><td>06 Continuous improvement</td></tr></table></div>	01 On-site audit	04 Improvement tracking	02 Report submission	05 Improvement confirmation	03 Improvement plan submission	06 Continuous improvement
01 On-site audit	04 Improvement tracking						
02 Report submission	05 Improvement confirmation						
03 Improvement plan submission	06 Continuous improvement						
	<ul style="list-style-type: none">The Company promotes key operating entities to gradually establish a smart energy online monitoring system. We achieve real-time monitoring and analysis of energy consumption of major equipment to promptly detect abnormal energy consumption. We also grasp energy consumption trends and changes at different positions and time periods by virtue of information technology and big data analysis to identify energy-saving improvement opportunities. And accordingly, we continuously optimize energy use strategies to further improve the Company’s energy efficiency.						
Technological energy conservation	The Company replaces old, high-energy-consuming and inefficient equipment and adopts more efficient production technologies and processes to improve energy efficiency and achieve operational emission reduction.						
Energy structure optimization	The Company increases the consumption proportion of clean energy and renewable energy and gradually increases the share of green electricity through measures such as expanding photovoltaic power generation and purchasing green electricity. Photovoltaic power generation equipment is installed in all effective places of the plants.						



Case: MFLEX Suzhou fully implements the “dual carbon” action to promote green and high-quality development

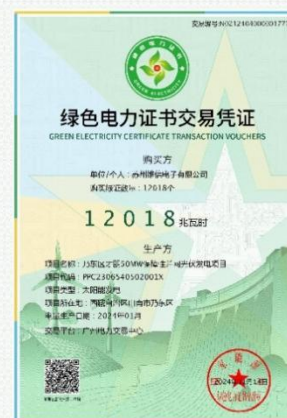
MFLEX Suzhou has established an energy dual carbon management team and formulated comprehensive energy management regulations, including the *Management Procedures for Baseline Performance Parameter of Energy Target Indicators*, the *Energy Design Management Procedures*, the *Energy Operation Management Procedures*, the *Energy Measurement Management Objectives and Implementation Evaluation Work Instructions*, and the *Energy Review Management Procedures*. With these regulations, MFLEX Suzhou systematically advances energy conservation and emission reduction through demand-side and supply-side initiatives, while actively pursuing certifications such as ISO 50001 Energy Management Systems, ISO 14064 Greenhouse Gas Verification, and ISO 14067 Carbon Footprint Certification to transition toward green, high-quality development. In 2024, MFLEX Suzhou completed a total of 20 energy-saving projects, saving a cumulative electricity amount of 13.05 million kWh.

MFLEX Suzhou’s “dual carbon” goal: Achieving carbon neutrality at the operational level by 2030

MFLEX Suzhou’s energy conservation and emission reduction goal for 2024: 3% reduction

in output energy consumption compared to 2023

- Enhance the precision management level of energy consumption statistics and monitoring: MFLEX Suzhou expanded the coverage of on-site energy metering (metering instruments were installed for energy-consuming equipment greater than 50kW), strengthened integration with facility operations and MES data, and normalized the monitoring of daily on-site unit product energy consumption data in major processes (workshops) to improve the precision management level of energy.
- Improve processes and upgrade production equipment: MFLEX Suzhou replaced and upgraded on-site wet process line fans and other equipment, selecting the most energy-efficient motors without affecting production conditions and product quality, with an expected energy saving rate of 50%.
- Build rooftop photovoltaics to optimize energy structure: MFLEX Suzhou's existing rooftop photovoltaics totaled 4.4MW, which ensured stable power generation. It also purchased clean energy (wind/solar power) and green power certificates to contribute to addressing climate change.
- Promote energy-saving technologies: MFLEX Suzhou fully promoted entry-level projects, including energy-saving projects such as efficient lighting, free cooling, and compressed air system waste heat recovery, as well as boiler projects like economizer installation, condensate recovery, and flue gas waste heat recovery.



4.2.3 Impact, Risk, and Opportunity Management

DSBJ has established a process and framework for managing climate risks and opportunities to identify, analyze, evaluate, and clearly understand the scope of climate change risks and opportunities, thereby enhancing climate resilience.

Identification of Climate Risks and Opportunities	We identify climate risks and opportunities based on the framework recommendations of the <i>IFRS Sustainability Disclosure Standards No. 2 - Climate-related Disclosures</i> , and the <i>Guidelines for Self-regulation of Listed Companies No. 17 - Sustainable Development Report (Trial)</i> from Shenzhen Stock Exchange.
Materiality Assessment on Climate Risks and Opportunities	We assess the likelihood of risk occurrence, the degree of risk impact, the extent of financial impact, etc., through internal and external environmental studies and risk management tools, to identify significant climate change risks and opportunities and their impacts on the Company.
Management of Climate Risks and Opportunities	With the integration of material risks and opportunities into corporate risk management, we continuously strengthen risk mitigation strategies, conduct targeted risk management and response initiatives, and regularly monitor and track implementation progress, in order to ensure alignment with policy trends, market developments, client requirements, and other critical factors.

4.2.4 Indicators and Targets

Indicators		Unit	2024
Direct energy	Gasoline	Ton	82.42
	Diesel	Ton	56.16
	Natural gas	m ³	6,914,644.40
Indirect energy	Purchased electricity	kWh	915,239,602.84
	Solar energy/PV	kWh	39,323,394.00
Total energy consumption		tce	121,882.54
GHG	Direct GHG emissions (Scope 1)	tCO ₂ e	15,525.31

emissions	Indirect GHG emissions (Scope 2)	tCO ₂ e	491,117.57
	Total GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	506,642.88
	GHG emission intensity	tCO ₂ e /RMB10,000 of revenue	0.1378

4.3 Resource Utilization and Circular Economy

4.3.1 Water Resources Management

The Company's water resources mainly come from the municipal water supply. The main production and operation sites with large water consumption are located in areas with lower water resource risk levels. The Company has formulated water management procedures, and the EHS Management Committee of each division is responsible for the coordination and supervision of water resources management. We promote the establishment of water-saving teams/appointment of water-saving specialists in key plants and formulate annual water-saving plans and implementation schemes to minimize water consumption and promote the sustainable use of water resources. During the reporting period, the Company experienced no major violations related to water resources.

- **Water balance analysis.** We conduct water balance analysis to measure and analyze the supply, use, and discharge of water during the factory production process, and formulate targeted measures to improve water resource utilization rates. As of the end of the reporting period, MFLEX, Multek, and JDI Electronics have all carried out water balance analysis.
- **Water conservation.** We formulate a water consumption quota plan and monitor and follow up on the monthly water consumption situation to find out the weak links and strengthen the daily water conservation management. We regularly maintain and manage the water consumption equipment through water-saving facilities and appliances, such as installing sensor water-saving controllers in the sheet metal plant of the Precision Manufacturing Division, to eliminate the phenomenon of water leakage, drip and spill. We also carry out water conservation publicity activities with enhanced water conservation publicity efforts to advocate the water conservation trend.

- **Water recycling.** The Company actively promotes water recycling technology in production operations. We renovate and upgrade recycling water treatment facilities for collecting, treating, and reusing production wastewater to improve water resource utilization efficiency and reduce the impact of wastewater discharge on surrounding water bodies. We retrofit or construct rainwater reuse irrigation systems on production and operation sites, purifying and treating collected rainwater for greening, cleaning, and other non-potable uses, so as to reduce the reliance on municipal water supply.
- **Water risk reduction.** During the selection process for new project investments, we, with full consideration of water resource risks, constantly monitor the risk of water shortages and assess water use strategies to ensure that the water supply can guarantee necessary production operations.

Case: MFLEX Suzhou practiced innovative water-saving management initiatives

MFLEX Suzhou comprehensively promoted the construction of water-saving factories focused on strengthening employee water-saving awareness, optimizing water equipment management, and innovating technology applications. In 2024, MFLEX Suzhou conducted water-saving operational training for key equipment operators, new employees, and temporary workers, and selected personnel to participate in the “water saving specialist” training organized by the district-level water affairs bureau to enhance professional management skills. The company also implemented multiple water resource recycling projects, achieving significant water-saving benefits.

- **100% reuse rate for RO concentrated water:** The RO concentrated water is pretreated through the water recycling system and redirected back to the purified water production plant for reuse in manufacturing processes, with an annual recycling volume projected at 500,000 tons. Residual RO concentrated water can be used for toilet flushing, with an estimated annual tap water conservation of 35,000 tons.
- **Rainwater resource utilization:** Rainwater harvesting and treatment facilities are constructed, through which 12,000 tons of rainwater can be reused annually for landscape irrigation and cleaning purposes.
- **Production line water-saving renovation:** The “Production Line Reverse-Flow Rinse

System” is implemented for utilizing conductivity control technology to enable water recycling within production line tanks, with an annual water circulation volume of 1,000,000 tons.

Case: Multek installed intelligent water-saving devices

In 2024, Multek invested RMB 600,000 to install intelligent water-saving devices and the supporting online water-saving monitoring system for the five plating lines and DES lines that consume the most water, which is expected to save 71,221 tons of water per year.



Indicators	Unit	2024
Total water intake	Ton	8,754,913.91
Total water discharge	Ton	6,306,144.37
Total water consumption	Ton	2,448,769.54
Water consumption intensity	Ton/ RMB 10,000 of revenue	0.6660
Water recycling	Ton	65,293,717.32
Recycled water ratio	%	88.18%

4.3.2 Green Packaging

DSBJ promotes the reduction of packaging materials throughout the product lifecycle in packaging design, production, transportation, and sales stages through internal recycling and

resource recovery and reuse methods, reducing the use of natural resources and the impact on the ecological environment.

Case: MFLEX implements tray recycling management

In the SMT (Surface Mount Technology) process, plastic trays are extensively used to carry flexible circuit boards (FCBs). MFLEX, targeting “resource circularity”, designed and advanced a tray recycling and reuse model. After transporting FCBs to the stamping process, trays undergo visual inspections for cavity integrity and structural stability of support pillars, and the qualified trays are reused for the next batch of FCB loading. Accordingly, a closed-loop management system of “use-inspection-return” is established, which can achieve cost reduction, efficiency improvement, and green development.

4.4 Pollution Prevention and Ecosystem Protection

4.4.1 Emissions and Waste Management

The Company complies with relevant laws and regulations such as the *Law of the People’s Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People’s Republic of China on the Prevention and Control of Air Pollution*, as well as local emission standards. We have established the “Three Wastes” Management Policy, the Hazardous Waste Management Policy and other relevant management procedure documents, and a comprehensive “three wastes” emission monitoring and control system involving various business segments. We minimize the impact of emissions on the environment under the principle of “reduction, recycling and re-utilization” on the basis of ensuring compliance with emissions standards. During the reporting period, the Company encountered no incidents of exceeding pollutant standards or illegal discharge of exhaust gas and wastewater, nor any illegal violations related to waste disposal.

Indicators and Targets	Achievement in 2024
100% compliance rate of “three wastes” emissions	Targets achieved
0 environmental pollution accidents	

100% compliance rate of hazardous waste disposal	
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4.4.1.1 Wastewater Discharge Management

The Company's wastewater mainly comes from domestic sewage and industrial workshop wastewater. The Company has established targeted system guidelines such as the *Water Pollution Control Management Benchmark*, to regulate wastewater discharge control, treatment processes, monitoring, emergency management, etc. Domestic sewage is discharged into the municipal sewage network, while production wastewater is discharged into the comprehensive wastewater treatment system after meeting the standards through processes such as coagulation, precipitation, biochemical treatment, MBR membrane filtration, etc.. The wastewater discharge at major operating bases is monitored by internal management personnel and third-party personnel. The Company optimizes the wastewater treatment process based on different production conditions to enhance the effectiveness of pollutant treatment. We install online pollutant monitoring systems at discharge outlets for connecting with national, provincial, and municipal environmental protection departments to jointly monitor the discharge of wastewater, including flow rate, pH value, chemical oxygen demand, ammonia nitrogen, etc.

Case : Grinding wastewater treatment project of the Touch Technology Division

The Touch Technology Division has customized a wastewater treatment plan for grinding wastewater and cleaning machine wastewater. According to this plan, wastewater will return to the pure water system's raw water tank after treatment by using a combination of sand carbon and ultrafiltration process through various key equipment such as collection systems, filtration systems, and ultrafiltration systems. With this method, the Touch Technology Division has achieved wastewater reuse, significantly reducing water costs and environmental impact.

Case: High-temperature evaporation zero discharge system of the sheet metal plant of the Precision Manufacturing Division

In order to achieve environmental protection and efficient utilization of resources, the Sheet Metal Plant of the Precision Manufacturing Division actively upgraded its wastewater treatment. It introduced low-temperature evaporation equipment to concentrate the hazardous

waste in surface treatment tanks, which successfully reduced the waste liquid in surface treatment tanks by over 80%, thereby effectively decreasing the amount of hazardous waste to be treated. It also installed a high-temperature evaporation system at the water treatment station, which greatly reduced environmental pollution and improved the recycling rate of water resources due to achieving “net zero discharge” for the entire water treatment station.

Indicators	Unit	2024
Total wastewater discharge volume	Ton	6,041,113.37
Chemical oxygen demand	Ton	7,548.66
Ammonia nitrogen emission	Ton	148.81

4.4.1.2 Exhaust Emission Management

Types of exhaust emissions mainly include volatile organic compounds, hydrogen chloride, sulfuric acid mist, hydrogen cyanide, nitrogen oxides, particulate matter, etc., generated during the production process. The Company strictly complies with relevant laws, regulations, and standards such as *the Law of the People’s Republic of China on the Prevention and Control of Air Pollution*. All exhaust emission outlets are designed and installed in accordance with national standards. The exhaust gases are emitted into the atmosphere through high exhaust pipes after being treated by high-efficiency air filters. Exhaust emissions at major operating bases are monitored by internal management personnel and third-party agencies to ensure emission compliance. We continuously optimize environmental treatment processes and upgrade high-efficiency end treatment devices to further reduce exhaust emissions on the basis of emission compliance.

Case: Construction of an efficient exhaust treatment system at the Dongyue Plant of the Precision Manufacturing Division

The Dongyue Plant of the Precision Manufacturing Division has developed and

implemented efficient treatment plans for different types of exhaust gases. In terms of exhaust gas treatment in the electrophoresis line, targeted treatment processes are used according to the type of exhaust gas to ensure compliance with discharge standards. Meanwhile, the Dongyue Plant also accurately calculates exhaust gas flow rate and fully considers the needs of exhaust gas treatment when selecting and designing equipment such as spray towers to ensure the stability of the treatment effect. In terms of exhaust gas treatment in the welding workshop, a cartridge dust collector is used for treatment. The exhaust gas is divided into three streams based on the layout of the workstations and introduced into different cartridge dust collectors. After treatment, the gases are collected and discharged through the exhaust chimney. The cartridges used in the treatment are made of nano flame-retardant filter material, so as to ensure system safety while achieving efficient dust removal.



Waste gas treatment device

Indicators	Unit	2024
Volatile organic compounds (VOCs) emissions	Ton	1,050.10
Nitrogen oxides (NOx) emissions	Ton	20.42
Sulfur oxides (SOx) emissions	Ton	1.90

Particulate matter (PM) emissions	Ton	8.94
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4.4.1.3 Waste Emission Management

The waste generated by the Company is divided into two categories: non-hazardous waste and hazardous waste. Non-hazardous waste mainly includes household garbage, waste plastics, waste paper, waste textiles, etc., while hazardous waste mainly includes sludge, waste printed circuit boards and scraps, dry film residue, and contaminated waste (filter cores, empty barrels, ink cans, etc.). The Company strictly complies with relevant laws and regulations such as the *Law on the Prevention and Control of Environmental Pollution by Solid Wastes* and the *Measures for the Administration of the Transfer of Hazardous Waste*. In accordance with guidelines such as the *Waste Management Benchmark*, the *Hazardous Waste Management Plan*, and the *Benchmarks for Selection of Contractors for Waste Treatment*, we have established strict waste treatment processes and safety operating procedures, clearly defined qualification standards for waste contractors, and regularly organize EHS personnel to assess the operation of waste to ensure its harmlessness. Through these initiatives, we may minimize the impact of waste on the environment and human health.

Hazardous waste	The Company has established hazardous waste warehouses equipped with waterproof and leak-proof measures, where hazardous wastes are strictly classified, stored temporarily, and managed by designated personnel according to the <i>Standard for Pollution Control on Hazardous Waste Storage</i> (GB18597-2023). We also submit warehousing applications to the governments' electronic systems of hazardous waste management, and regularly entrust agencies with professional treatment qualification to remove and dispose of hazardous wastes.
Non-hazardous waste	Non-hazardous wastes in the plants are prioritized for recycling. They are transferred to designated storage points within the specified time. General production solid waste is collected and processed by qualified agencies for comprehensive utilization while household garbage is collected uniformly and then removed by the sanitation department on a regular basis under entrustment. Waste oils are stored in dedicated containers and regularly

recycled by qualified agencies under entrustment.

Adhering to the principle of “reduction, reutilization and harmlessness of solid waste”, the Company promotes the process of solid waste reduction and minimizes the generation of waste through the optimization of production processes and resource recycling.

MFLEX Suzhou was awarded the title of “**Waste-Free Factory in Suzhou City**”

Multek Industries was enlisted in the “**Waste-Free City Cell**” in Zhuhai City

MFLEX Suzhou has obtained the **highest Platinum-level Certification of the UL2799 Net Zero Waste to Landfill Program**

Case: Implementation of waste data tracking by Yancheng Dongchuang Plant of the Precision Manufacturing Division

Yancheng Dongchuang Plant of the Precision Manufacturing Division has actively introduced an advanced management tool - the Waste Data Tracking Record (WTR). Through precise data recording and analysis, this plant comprehensively optimizes the waste disposal process, continuously making progress towards the goal of net zero landfill. Yancheng Dongchuang Plant accurately inputs WTR data monthly, recording related data for each type of waste, such as the monthly disposal amount, external reuse amount, internal reuse amount, and waste reduction, etc. Through in-depth analysis of WTR data, it was found that scrap metal waste (such as aluminum scrap, iron scrap, etc.) is generated in large quantities. Considering the existing recycling rate is already high and there is limited room for improvement, it is planned to further improve the recycling efficiency by strengthening cooperation with recyclers.

Case: The Advancement of waste management of MFLEX Suzhou Plant

Around the environmental goals of “reduction, resource utilization, and harmlessness of solid waste”, MFLEX Suzhou Plant has continued to make efforts to reduce waste in a multi-dimensional way according to the internal management guidelines in the *Waste Disposal*

Management Operation Guidelines. In 2024, MFLEX Suzhou's plant achieved a 98.26% comprehensive utilization rate for general industrial solid waste and an 83.56% utilization rate for hazardous waste, ranking among the industry's highest benchmarks. MFLEX Suzhou was awarded the title of "Waste-Free Factory in Suzhou City" and certified by the highest Platinum-level Certification of the UL2799 Net Zero Waste to Landfill Program

- **In terms of source reduction,** MFLEX Suzhou has continuously introduced advanced equipment over the years. The centrifuge dryer introduced for dehydrating hazardous waste filter elements has effectively reduced dry film residues and waste filter elements by approximately 50%, equivalent to 700 tons per year. And the sludge dryer newly installed for low-temperature drying of copper-containing sludge and nickel-containing sludge has significantly reduced sludge's moisture content from ~65% to ~35%, achieving an annual sludge reduction of approximately 3,000 tons.
- **In terms of resource recycling,** cowhide paper and pads used in production are reused multiple times. Especially, by using undamaged cowhide paper from the lamination process in the copper plating process, MFLEX Suzhou reused approximately 600 tons of cowhide paper annually.
- **In the waste disposal phase,** MFLEX Suzhou has strictly controlled the waste disposal and entrusts a third party that does not dispose of solid waste by landfill methods to dispose of our waste, fundamentally eliminating landfill treatment and successfully achieving zero waste to landfills.

Indicators	Unit	2024
Amount of generated non-hazardous waste	Ton	41,554.93
Amount of recycled non-hazardous waste	Ton	38,489.08
Amount of generated hazardous waste	Ton	31,851.18

Amount of recycled hazardous waste	Ton	21,357.41
Amount of disposed hazardous waste	Ton	10,512.73

4.4.2 Biodiversity Conservation

In strict accordance with national and local laws and regulations on biodiversity conservation, the Company carries out a series of practical initiatives that emphasize the biodiversity conservation concept throughout all phases of projects including planning, design, construction and operation to protect the ecological stability and biodiversity of the operation site. During the project planning and design phase, the Company conducts a comprehensive investigation and assessment of the surrounding ecological environment under environmental protection requirements, fully understanding the characteristics and distribution of local biodiversity to avoid selecting sites that may have adverse effects on the environment, with an environmental impact assessment report awarded for the project in accordance with regulations. During the project construction phase, the Company minimizes the impact on local vegetation, soil, and water by establishing construction protection measures and restricting the construction areas. During the project operation phase, the Company conducts continuous environmental monitoring and regular collection and analysis of environmental indicators such as air quality, water quality, and soil quality to identify and solve potential problems in a timely manner and actively engage in ecological restoration and protection.



Multek launched biodiversity advocacy campaigns on International Biodiversity Day in 2024

5. Working Together for a Better Future Based on People Oriented Philosophy

Sustainable Development Goals of the United Nations (SDGs)



5.1 Labor and Human Rights Management

5.1.1 Governance

DSBJ strictly complies with international human rights norms, such as the *Ten Principles of the UN Global Compact*, the *Universal Declaration of Human Rights*, and *ILO Declaration on Fundamental Principles and Rights at Work*, as well as local laws and regulations in its operating regions, and has established a comprehensive labor and human rights governance system. The ESG Management Committee regularly reviews major issues related to labor and human rights management and approves major labor and human rights management plans and targets. The Human Resources Working Group (composed of the HR department at headquarters and the HR management departments from various divisions) collaborates with the EHS Working Group (composed of the EHS departments at headquarters and from various divisions) to jointly promote the implementation of labor and human rights management topics, and monitor and continuously improve the work progress. The Human Resources Working Group is responsible for ensuring employee rights protection, such as prohibition of child labor and forced labor, collective bargaining, anti-discrimination, diversity inclusion, and compensation and benefits, while the EHS Working Group is responsible for occupational health and safety management, working together across levels and horizontally to create a harmonious and positive workplace ecosystem.

5.1.2 Strategy and Management Mechanism

DSBJ is committed to respecting the basic rights and interests of every employee and providing all employees with equal opportunities for work and development. The Company has established a comprehensive and complete labor and human rights management system. We have clarified the code of conduct and requirements for employees, and taken various measures to prevent potential human rights risks, so as to create a safe, reliable, harmonious and efficient working environment.

5.1.2.1 Compliance Hiring

The Company regulates the entire process of talent introduction. In the recruitment and hiring process, we implement the principles of open recruitment, equal competition, and selection of the best candidates based on moral integrity and professional competence. All applicants who meet the requirements for the corresponding positions are eligible for interviews, without discrimination on gender, education, age, race, family status, religion, or cultural background. The Company prohibits child labor and forced labor, ensuring compliance and fairness in talent recruitment. We strictly inspect the recruitment and hiring processes, and encourage employees and applicants to report any violations of company policies or regulations through public channels. All reported violations will be seriously investigated and dealt with, and corrective measures will be taken if necessary. During the reporting period, the Company experienced no major labor disputes or incidents of child labor or forced labor, achieving 100% labor contract signing rate and 100% social insurance coverage for all employees.

Total number of employees (persons)	23,515
Number of newly recruited fresh graduates (persons)	126
Gender composition	
Category	Headcount (persons)
Male employees	14,191
Female employees	9,324
Age composition	

Category	Headcount (persons)
Under 30 years old	6,218
30-50 years old	16,638
51 years old and above	659
Regional composition	
Category	Headcount (persons)
Chinese employees (including Hong Kong, Macau, and Taiwan)	23,003
Overseas employees	512

5.1.2.2 Respecting for Human Rights

DSBJ takes actions consistent with the *Responsible Business Alliance* (RBA) Code of Conduct during the operations and promotes various business segments to formulate norms such as the *Code of Business Ethics*, the *Code of Corporate Ethics*, and the *RBA Management Handbook*, etc. We always respect and safeguard the legitimate rights and interests of all employees and business action stakeholders, eliminating any form of infringement and violation of human rights, so as to ensure that every employee enjoys a fair, democratic, and healthy working environment.

The Company regularly conducts training related to labor and human rights policies, in order to raise employees' awareness and understanding of human rights issues. Multek conducts RBA & COC training for all employees annually, with 4,104 participants and a completion rate of 93.4% in 2024. The Precision Manufacturing Division added the labor and human rights policy training into the mandatory courses for new employees, training 14,160 participants in 2024, with a total of 28,320 training hours and a completion rate of 100%.

Multek and Mutto Optronics have obtained the RBA VAP certificate from the Responsible Business Alliance.

Highlighted issues	Management approach	Mitigation measures
Prohibition of child labor and protection of minor workers	Global plants comply with local regulations in their hiring processes and strictly prohibit child labor.	<ul style="list-style-type: none"> Thoroughly verify the authenticity of applicants' identities; Establish a reporting mechanism; Comply with RBA requirements for proper handling.
Forced and compulsory labor	The Company establishes relevant systems such as the <i>Forced Labor Management and Control Procedures</i> , to strictly prohibit forced and compulsory labor.	<ul style="list-style-type: none"> Employees are free to conclude and terminate labor contracts at their own discretion; Recruit adequate staff according to business development, and establish a mechanism for managing and tracking working hours. Inform employees in advance of overtime work and obtain their consent and regularly analyze and audit working hours to strengthen early warning mechanisms.
Anti-discrimination and anti-harassment	The Company establishes internal institutional norms such as the <i>Anti-Discrimination and Anti-Harassment Policy</i> to ensure employees are protected from illegal discrimination.	<ul style="list-style-type: none"> Exclude discriminatory clauses in recruitment advertisements. Do not illegally refuse to hire employees based on factors such as gender, age, race, and other diverse backgrounds. Provide reasonable special protections for vulnerable labor groups.
Trade union and collective bargaining	Establish trade unions in accordance with the laws and regulations of each operating	All employees have the right to freely join or form trade unions and participate in collective bargaining; Multek has generated a collective agreement through collective

Highlighted issues	Management approach	Mitigation measures
	location to create a work environment that encourages free expression.	negotiation, covering 100% of employees. The collective agreement addresses key issues closely related to employees, such as wages, working hours, labor conditions, welfare benefits, training and development, and the working environment. The Touch Technology Division has formulated the <i>Special Collective Contracts for Wages</i> , the <i>Special Collective Contracts for Special Protection of Female Employees</i> , and the <i>Special Collective Contracts for Labor Safety</i> , among others.
Health and safety	The Company establishes an occupational health and safety management system and develops corresponding safety operating procedures and methods to create a safe and healthy workplace.	<ul style="list-style-type: none"> Regularly inspect and address safety hazards; Promote a safety culture and regularly conduct safety and health training and occupational health checks.
Wages and benefits	The Company establishes internal systems such as the <i>Salary Management Measures</i> , legally stipulating salary and benefits and providing employees with reasonable remuneration.	<ul style="list-style-type: none"> Regularly conduct compliance reviews of wage payments.

5.1.2.3 Employee Communication and Participation

The Company respects employees' opinions and ideas, and is committed to providing smooth and diversified communication channels and establishing an open and healthy communication mechanism to ensure that the voices of employees are heard and valued.

Employee Representative Assembly: We establish trade unions in accordance with the laws and regulations and the relevant trade union requirements of each operating location, and regularly hold employee representative assemblies, trade union committee communication meetings and other democratic management meetings. Major matters involving employees' immediate interests are addressed through trade unions by gathering opinions and suggestions from employee representatives and deliberating, so as to protect the rights and interests of the employees in an effective manner. Employees have the right to voluntarily join a trade union and the employee representative assembly to conduct collective bargaining on key issues closely related to employees, such as wages, working hours, labor conditions, welfare benefits, training and development, and working environment. During the reporting period, the Company's negotiations on various collective contracts progressed smoothly, covering wages, special protection for female employees, labor safety, and among others. The trade union/collective bargaining agreements cover 100% of employee of Multek and the Touch Technology Division.

Employee communication meetings: By building a bridge for communication between superiors and subordinates, the Company provides employees with opportunities for direct dialogue between employees and the management to efficiently drive the Company's optimization and improvement.

General Manager's mailbox/Employee suggestion box: The Company sets up mailboxes and suggestion boxes, with designated personnel regularly opening them to conduct special investigations and handle and provide feedback on employee complaints.

Online platform & employee hotline: The Company communicates with employees through OA system functions, online

Employee Service Agency: MFLEX has established an employee service station, assigning dedicated personnel to connect and

feedback platform, communication hotline, email, etc., to ensure that employees can freely express their opinions and ideas.	handle employee inquiries and feedback. The LED Division has set up an employee care center, which handled 65 pieces of employee feedback in 2024.
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● Appeal and protection mechanism

The Company has established internal rules and regulations such as the *Employee Appeal Management Procedure*, clarifying the entire process of handling employee appeals and reports and responding promptly to issues raised by employees. Employee appeals will be handled and investigated by a dedicated team composed of the Human Resources Department, trade union representatives, etc. The Company encourages employees to file appeals in a timely manner when facing any unfair treatment or to report violations of human rights, and responds with solutions to the appellant in writing within a specified time frame. The Company ensures that every reasonable complaint or report is received and independently investigated under the principle of confidentiality in a timely manner, and actively takes the necessary measures to protect the legitimate rights and interests of bona fide whistleblowers to ensure that they are not subject to any negative repercussions or retaliation as a result of making a report.

Case: Multek improves employee communication and complaint management.

Multek has established a comprehensive employee communication, complaint, and grievance management mechanism, whereby employees can directly appeal and complain to their department heads, or the HR business partners or the general manager of their divisions. They can also appeal and complain to the Multek Joint Trade Union for support and assistance. Upon receipt of an employee's complaint, the responsible person or responsible department at all levels promptly initiates an investigation and expeditiously renders a decision based on the investigation findings. This decision will be communicated to the complainant, and the general manager, the head of the department and the HR department of the corresponding division in writing or by e-mail. Should employees find the decision unsatisfactory, they retain the right to escalate the matter to the trade union or higher-level management or departments, in order to

safeguard their legitimate rights and interests.

5.1.2.4 Occupational Health and Safety

In strict accordance with laws and regulations such as the *Safety Production Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China* and the *Regulations on Supervision and Management of Occupational Health in the Workplace*, as well as the requirements of the ISO 45001 management system, DSBJ has established an environment, health and safety (EHS) management system and formulated multiple management policies and norms such as the *Occupational Health Management System* and the *Safety Production Management Procedures*, which cover all employees, contractors, and specific suppliers. The annual health and safety goals are incorporated into the performance assessments of the relevant responsible personnel to ensure the comprehensive implementation of health and safety management requirements.

Investment in health and safety amounted to RMB 64.9536 million

All major production and operation entities of the Company have passed the **ISO 45001 occupational health and safety management system certification**

● Construction of a Health and Safety Culture.

The Company focuses on building a health and safety culture. We regularly conduct special training on health and safety based on the work requirements of employees to promote effective safety protection in their daily work. At the same time, the Company actively carries out activities such as Safety Production Month and safety knowledge competitions to publicize the safety culture, in order to create a good cultural atmosphere where everyone speaks about safety and everyone is responsible for safety. In 2024, we achieved 100% coverage of health and safety production training.



Knowledge competition in the safety
production month



Safety training for hazardous
construction operations

● Occupational Health Management

Insisting on prioritizing employees' health, the Company regularly assesses occupational disease hazard risks, and formulates and implements occupational disease hazard control measures based on risk levels to ensure the safety and health of employees' working environment. According to the list of occupationally hazardous positions, the Company carries out pre-job, on-job and off-job special medical check-ups for relevant employees and establishes health files. During the reporting period, no new confirmed or suspected occupational diseases were found.



DSBJ Solutions Inc. (the U.S. branch) is equipped with an automated external defibrillator (AED) and ensures that team members hold certifications in Adult First Aid/Cardiopulmonary Resuscitation (CPR) and AED operation.

● Chemical Management

The Company formulates *the Dangerous Chemical Safety Management System*, the *Management Measures for Easy-to-Make Drugs and Explosives* and the *Chemical Management Procedures* in accordance with relevant national laws and regulations, industry standards, and

requirements of relevant parties on dangerous chemicals. We supervise and manage the entire process covering procurement, loading and unloading, use, production, storage, transportation, and packaging of dangerous chemicals and regularly organize regular training for relevant personnel on dangerous chemicals. We also regularly conduct annual chemical leakage emergency response drills to enhance the ability to respond to chemical leaks. Through these initiatives, we maximize the elimination, reduction or control of the impact of hazardous chemicals on the health and safety of persons.

Entire process management of chemicals

Procurement	All procurement needs must be reported uniformly according to work requirements, and purchases must be made strictly in accordance with the procurement procedures after approval (highly toxic substances are required to be approved by the project department and the municipal public security bureau).
Acceptance and warehousing	When accepting highly toxic substances for warehousing, personnel from the procurement department and EHS department must be present to supervise the entire process of warehousing.
Handling and storage	Dedicated vehicles are used to transport chemicals to prevent leaks and splashes. Chemicals are pasted with safety labels after safe handling and storage to ensure correct classification. Hazardous chemicals are properly stored under different categories and inspected by designated personnel every day for management.
Material issuance and requisition	The Company requires units with demands to fill out the chemical requisition form and apply hazardous chemicals as needed. Hazardous chemicals distributed to the production site are stored in explosion-proof cabinets with special locks equipped. In addition, the Company keeps detailed records of

	chemical inventory changes and installs a networked alarm system and infrared detection system on-site. All these measures can contribute to ensuring the safety of the requisition process.
Emergency protection	Appropriate protective equipment should be provided in accordance with the MSDS requirements when handling chemicals and effective firefighting equipment should be available in the chemical temporary storage area for emergency use.
Usage	Personnel handling chemicals should wear proper personal protective equipment to ensure compliance with operating procedures. When supplying materials, we use double-layered tubes to prevent leakage and transparent tubes for timely inspection and maintenance in case of problems. We install monitoring systems and other equipment on the production site to detect toxic and flammable gases.
Discard	We properly handle various types of chemical waste in accordance with the <i>Waste Disposal Management Procedure</i> and entrust qualified purchasers for recycling and disposal of hazardous waste.



Yancheng Dongshan conducted emergency drills for chemical spillage



Multek conducted exercises for chemical spillage



DSBJ PTE. LTD. (the Mexican branch) conducted the training on chemical spill prevention

● Contractor Safety Management

The Company's health and safety management covers all activities of contractors in the Company. We have implemented strict training, assessment access, and process monitoring for partners conducting construction in designated zones, with detailed measures including signing safety agreements, pre-entry safety education, personnel and equipment inspections, approval of on-site work protection, and identification and remediation of work hazards.

5.1.3 Risk and Opportunity Management

To effectively implement human rights policies and guidelines, the Company refers to requirements such as the *Responsible Business Alliance (RBA) Code of Conduct* to identify, assess, and manage human rights risks in operations, value chains, and investment and mergers and acquisitions. In accordance with risk identification, assessment, and management procedures, the Company sets up human rights and labor management target indicator programs annually for some key plants, and monitors the progress of these indicators monthly. In order to control risks more deeply, risk assessments are conducted through reviews and audits, including regular RBA-based self-assessments on human rights issues at key plants, customer social responsibility checks, or RBA audit certifications, to review the completion and achievement of indicators such as the prevention of forced labor, prohibition of child labor, health and safety, and the protection of freedom of association and collective bargaining rights. Audit results will be used to identify and address

potential human rights risks and issues, and continuously improve the human rights management system. During the reporting period, the Company experienced no major incidents of labor and human rights risks.

Human rights due diligence process

Human rights risk identification and assessment	Prevention of human rights risks	Mitigation and improvement	Supervision and implementation
Identify and assess human rights risks in the value chain according to international human rights standards, laws and regulations, and relevant certification requirements.	Develop human rights policies, codes of conduct, supplier codes of conduct, etc., and strengthen relevant training and implementation.	Regularly review and develop improvement action plans within a specified time frame based on the assessment results, and take mitigation and improvement measures for key issues.	Establish feedback mechanisms to follow up on the effectiveness of measures and continuously optimize the improvement; establish smooth channels for complaints and appeals to detect and resolve human rights issues more effectively.

In response to health and safety risks, the Company has implemented a dual prevention mechanism comprising risk assessment and hidden danger investigation and control to effectively reduce the probability and impact of safety incidents. We encourage key operating entities to establish institutional norms for identifying, evaluating, and controlling risks associated with hazardous sources aligning with the requirements of ISO 45001, and conduct regular hazard identification and risk assessment activities, resulting in the compilation of a safety risk classification and control list based on assessment findings for comprehensive risk control. We

assess the level of hidden safety risks and set up a file in accordance with internal regulations and systems such as the *EHS Inspection and Hidden Danger Investigation and Control System* to actively rectify hidden dangers.

5.1.4 Indicators and Targets

Indicators and Targets		Achievement in 2024
No events of infringement of employee rights and interests	No incidents of child labor and forced labor	Targets achieved
	Total number of employee discrimination incidents is 0	Targets achieved
	100% of employee insurance coverage	Targets achieved
	100% handling of employee complaints and reporting incidents	Targets achieved
No major employee health and safety risk incidents	Zero serious safety accidents	Targets achieved
	Zero fire accidents	Targets achieved
	Zero employees who died due to work-related injuries	Targets achieved The number of employees who died due to work-related reasons is 0, and the number of workdays lost due to work-related reasons is 856 days
	Zero major safety incidents	Targets achieved
	100% coverage of occupational health examinations	Targets achieved
	0% incidence rate of occupational diseases	Targets achieved
	Injury rate per thousand workers \leq 1.5	Targets achieved The injury rate per thousand workers is 1.49

5.2 Human Capital Development

5.2.1 Governance

Talent is crucial to the sustainable development of the business. DSBJ continuously optimizes the human resources management system to ensure its deep integration and precise alignment with the Company's overall strategy. The human resources working group, which consists of personnel from the human resources management departments of the Company's headquarters and various divisions, is responsible for formulating and executing the Company's human resources strategy and goals, promoting the implementation of human capital development topics, monitoring the progress of the work and making continuous improvements. The Company's headquarters and all divisions have developed a series of institutional norms covering comprehensive dimensions such as employee training, talent management, career advancement, performance management, and compensation incentives, which contribute to the optimization of the Company's talent structure and the enhancement of organizational competitiveness.

5.2.2 Strategy and Management Mechanism

DSBJ aligns its talent development strategy with corporate strategic objectives and business growth directions. The Company continuously improves the competency model and the internal and external talent development system to create a continuous growth support system for employees' career lifecycle, so as to satisfy the Company's strategy and business development needs for interdisciplinary and high-quality specialized talents, thereby comprehensively supporting the implementation of the Company's strategy.

5.2.2.1 Talent Introduction

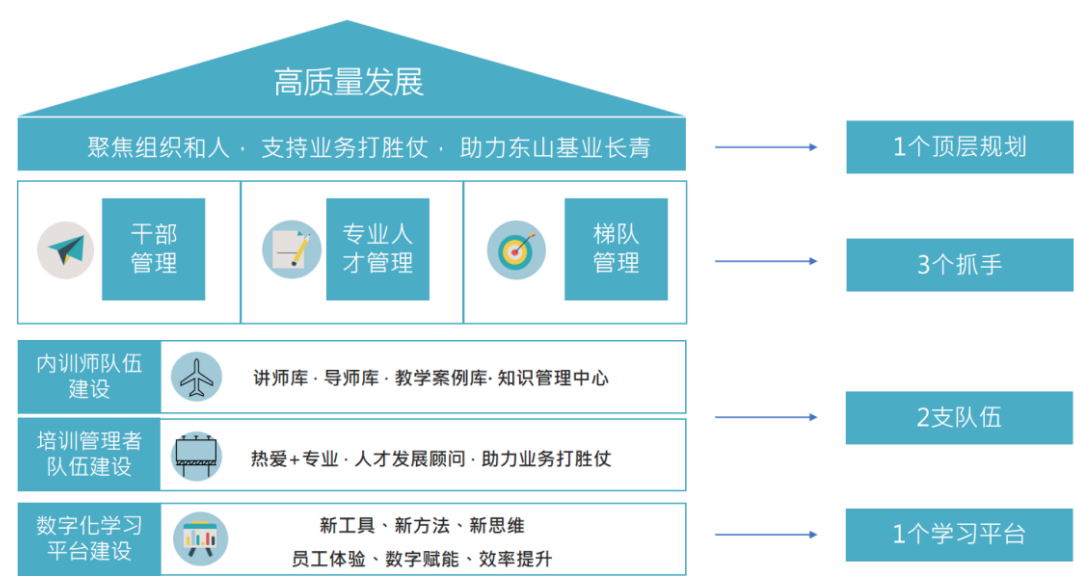
The Company remains dedicated to enhancing its talent development and management strategy. We conduct regular assessments of organizational needs and talent capabilities in alignment with the Company's strategic planning and business development direction, in order to plan a forward-looking talent layout and anticipate the recruitment demands proactively. Furthermore, we actively diversify our talent recruitment channels to ensure accurate matching of recruitment resources. Through these initiatives, we have built a high-quality talent pool for the Company's development in an all-round and multi-dimensional way.

Forward-looking layout	The Company builds the talent pool based on needs and requirements. We predict recruitment needs in advance and formulate recruitment plans in line with the Company's strategic planning and business development trends to reserve relevant talents to support the Company's future stable operation.
Professional assessment	The Company reviews job competency models to enhance talent profiles and adopts professional talent assessment tools for comprehensive evaluations and screenings of talents, so as to attract high-quality talent widely under the principle of fairness and impartiality.
Diversified channel	<p>The Company actively diversifies recruitment channels, such as online recruitment, offline recruitment, campus recruitment, headhunting, internal referrals, internal job competitions, internal job transfers, etc., and collaborates with universities to cultivate graduates and interns to jointly cultivate key professional talents, achieving a win-win situation for all parties. The Company also cooperates with training institutions to establish talent development and training frameworks, customizing talent delivery channels according to the demand for talent.</p> <p>In 2024, different divisions of DSBJ actively carried out campus recruitment activities, carefully preparing and completing campus roadshows at Nanjing University, Chongqing University, Dalian University of Technology, Southeast University, etc. A total of 698 candidates were interviewed for the "Evergreen Program", and 91 of them were contracted to join DSBJ.</p>

5.2.2.2 Employee Training

The Company has built a systematic talent training system aimed at all employees around "Three core initiatives, two teams, and one learning platform", in order to strengthen the all-round training of talents. The Company fully integrates internal and external training resources. We set up a rich and systematic training curriculum according to the different training needs of employees at

all levels, providing diverse and scientific training content to create a cultural atmosphere of “all employees are learning constantly”. The training system covering new employees, key employees, and manager personnel at all levels helps employees achieve continuous growth throughout their careers and continuously improve their professional competitiveness.



High-Quality Development	(Lecturer Database · Mentor Database · Teaching Case Repository · Knowledge Management Center)
Support business victories with focuses on organizations and people to foster enduring growth for Dongshan.	Training Management Team Development
Cadre Management	(Passion + Expertise · Talent Development Consultants · Enabling Business Success)
Professional Talent Management	Digital Learning Platform Development
Talent Pipeline Management	(Innovative Tools · Modern Methods · Agile

	Mindsets; Employee Experience · Digital Empowerment · Efficiency Enhancement)
1 Top-Level Plan	2 Teams
3 Core Initiatives	1 Learning Platform
Internal Trainer Team Development	

DSBJ Cloud Classroom

The Company has built an exclusive online learning platform based on the cloud classroom learning platform, which provides employees with rich course resources and efficient, convenient, and flexible learning services to create an active learning community, thereby enhancing learners' sense of participation and enthusiasm. The learning platform, which covers a wide range of content including financial management, supply chain management, research and IT management, workplace effectiveness, professional skills, etc., has become an important platform for employees' daily work learning and self-learning. In 2024, the cloud classroom course had a total of 401,749 learning sessions, with a total learning duration of 85,835.94 hours.

DSBJ Master Teacher Program

To meet the needs of organizational development and talent cultivation, the Company has established an internal trainer mechanism, which incorporates professional talents from various departments into the internal trainer team and conducts training for internal trainers' teaching ability such as lesson research workshop, to build a team of internal trainers with comprehensive qualities and strong professional abilities, thereby achieving mutual promotion and win-win results for the Company's development and individual growth. In 2024, the Company's internal trainer training program - DSBJ Master Plan, effectively enhanced the training capabilities and levels of internal trainers through diversified forms of training, such as micro-learning, online

live broadcasting and classroom-based intensive training, so as to lay a solid foundation for the Company's talent cultivation. For example, the training named "Three steps to become a teacher: improvement of lecturing skills" conducted by the Precision Manufacturing Division, is aimed at helping internal trainers understand trainees' learning characteristics, master course interaction skills, and learn classroom management techniques.

● New Employee Training

The Company provides targeted training for newly hired employees, helping them initially understand the Company's development and various policies and systems through the combination of theory and practice, to quickly integrate into the Company's environment and master job skills. The Company also assigns instructors to guide and follow up on employees' learning and progress at work, supporting them to continuously grow and improve.

Case: The "Evergreen Program" empowerment training project cultivated new talents in the workplace.

In 2024, the Company launched the "Evergreen Program", a comprehensive onboarding and empowerment training project for fresh graduates, which aims to new employees across all divisions. Following a "Orientation-Integration-Foundation Building-Acceleration-Competency" development pathway, this program is structured around four pillars: integration, learning, practice, and culture. The integration pillar helps fresh graduates quickly adapt to the corporate environment through exhibition hall tours, summit orchestra camping concerts, and closing ceremonies. The learning pillar delivers multi-disciplinary courses including mentor empowerment, workplace communication, and AI applications to equip graduates with job-ready skills. The practice pillar combines role-specific training, mentor-guided coaching, and performance feedback to bridge theoretical knowledge with practical execution. And the culture pillar helps graduates understand corporate culture and establish a sense of belonging via executive face-to-face sessions, tech expert dialogues, book-sharing forums, and job performance reviews. Through this multi-threaded training model, the "Evergreen Program" empowerment training project for fresh graduates has effectively enhanced graduates'

professional competencies and job readiness, injecting new vitality into the Company.

● **Leadership Training**

In response to the Company’s development strategy and employees’ career development needs, we have developed a comprehensive hierarchical leadership training plan that encompasses leadership theory, team management, decision-making, communication skills, conflict resolution, and other aspects, providing opportunities for employees at different levels to develop leadership skills and support their continuous learning and growth. The Company’s leadership training program spans the foresight reserve and enhancement of leadership for senior managers, middle managers, grassroots managers, and reserve management personnel. Our training initiatives are designed to assist managers at all levels, as well as the next generation of leaders, in understanding organizational strategy, enhancing their management capabilities, and broadening their horizons. Through these efforts, we seek to cultivate leading talents capable of driving the high-quality development of the Company.

战略驱动 人才为先 | 领导力项目框架



Strategy-Driven, Talent-First Leadership Program Framework	Effective communication & continuous improvement
High-Potential Talent Camp	New Director Development Camp

Strategic thinking	Organizational activation
Influence	Awareness raising
Leadership	Business control
New Manager Development Camp	Team empowerment
Role awareness & avoiding pitfalls	Executive Leadership Camp
Goal setting & planning	Strategic vision
Delegation & coaching	Well-versed in operations
Performance evaluation & feedback	Management excellence
Courage for innovation	

<p>Middle and senior managers: Focusing on the knowledge and skills of middle and senior strategic management and leadership, the Company conducts training on strategic thinking, business development planning, crisis management, team building, decision-</p>	<p>[Highlight] The Company’s “Six Rules for Cadres” series of courses</p> <p>The cultivation and echelon building of talents need to rely on cultivating and developing cadres in practice to inspire potential and improve performance. In 2024, the Company launched a series of courses related to the themes of “Deployment” and “Efficiency” in the “Six Rules for Cadres” for cadres from all divisions. These courses involve aspects such as planning and organizing, efficient decision-making, influence, team collaboration, management innovation, and talent development and management, aiming at continuously enhancing the leadership capabilities of cadres.</p>
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<p>making, and other aspects.</p>	<p>[Highlight] DSG’s “Leadership Workshop”</p> <p>In 2024, DSG organized the “Leadership Workshop” for key position personnel. Guided by the Company’s LEADER values (Six Rules for Cadres), the two-day workshop, with focuses on the core values of “Deployment” and “Education”, assists leaders in enhancing strategic execution capabilities and team guidance skills. DSG also designed personalized workshops based on the needs of managers to ensure maximum training effectiveness.</p>
<p>Grassroots cadres: The Company designs close-to-realistic training content tailored to the actual work of grassroots leaders, covering contents of team management, crisis handling, goal setting and execution, employee motivation, etc., to help them better cope with various challenges in their daily work.</p>	<p>[Highlight] Multek Block Operation Leaders and Reserve Force Training Camp</p> <p>The training camp program is conducted separately for team leaders and operation leaders, encompassing classroom instruction, online learning, “knowledge-to-action” review sessions, workshops, learning presentations, and performance evaluations. Through diverse formats, the program stimulates participants’ learning enthusiasm and initiative. In 2024, the program engaged 44 alternative operation leaders and 18 operation leaders.</p>
<p>High-potential/reserve cadres: Young employees are the future hope of DSBJ. The Company cultivates young talents with</p>	<p>[Highlight] Post-90s High-Potential Training Camp</p> <p>To build a high-potential and high-performance young talent team and strengthen leadership succession planning, the LED Division launched the “Post-90s High-Potential Training Camp”, which was designed to comprehensively enhance the leadership capabilities of post-90s employees and prepare future leaders for</p>

<p>leadership potential and innovative ability through professional leadership development courses.</p>	<p>the company. In 2024, this project had a total of 40 trainees.</p> <p>[Highlight] Specialized Program for Management Trainee Empowerment</p> <p>In 2024, the Precision Manufacturing Division upgraded its specialized program for management trainee empowerment, aiming to cultivate engineers with deep organizational alignment and expand the trainee workforce to not less than 100 active participants by the end of 2026. The training period was extended from 3 months to 1 year, with the addition of business and product introduction modules in the intensive training phase and the front-line workshop rotations. In terms of mentorship system optimization, a number of management actions, such as duty-based teaching plan, mentor evaluation, weekly report, monthly performance communication, and probationary performance presentations, etc., have been added to ensure the quality of mentorship. At the same time, the senior management places great importance on this program. The president and the head of the operation center both conducted one-on-one interviews with management trainees to accelerate their growth. In 2024, the management trainees achieved 100% retention rate within the first 6 months, and 100% probation-to-regular conversion rate.</p>
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● Professional Position Training

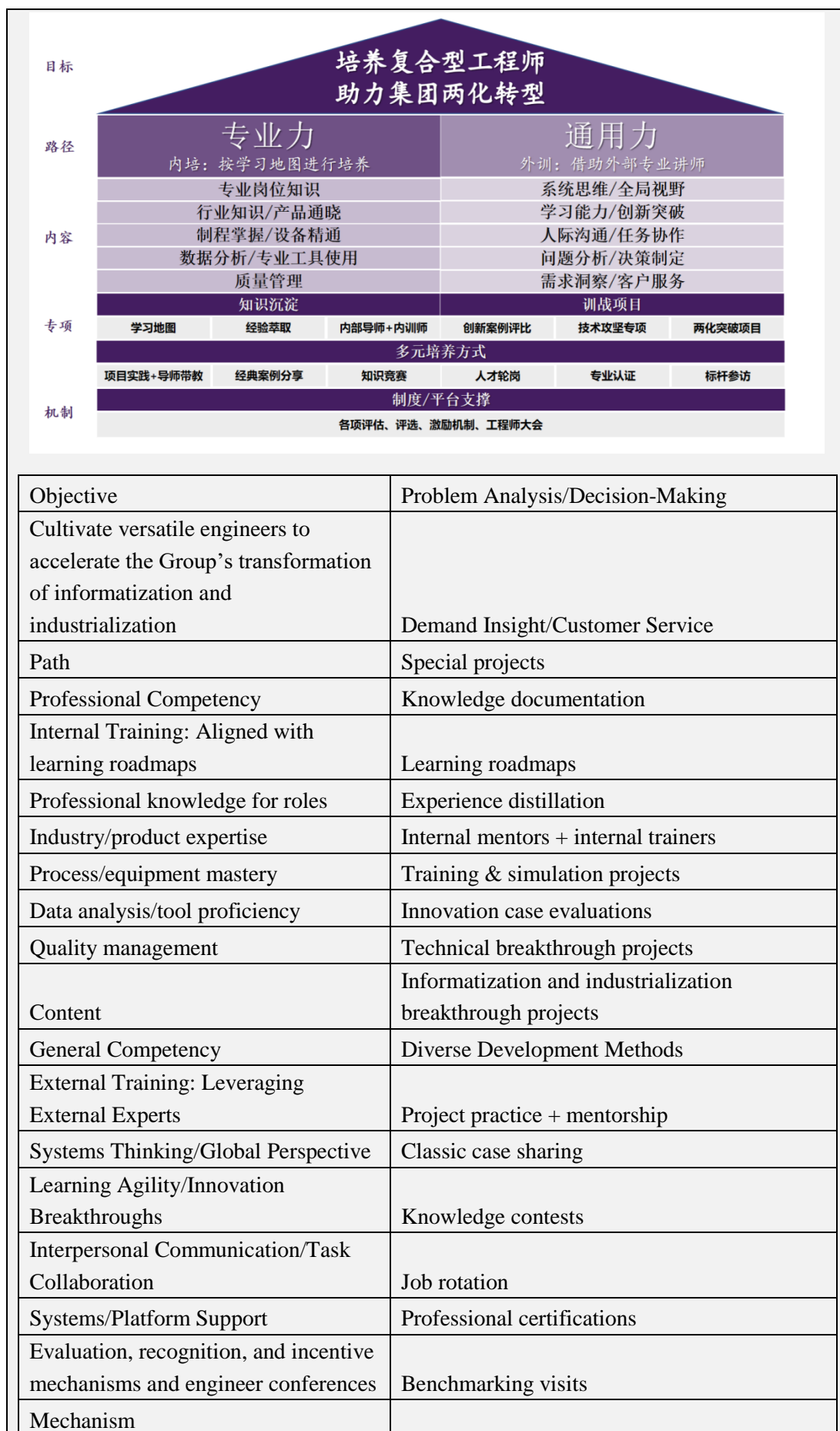
The professional position training aims to enhance employees' knowledge and skills in their professional fields. The training covers various business areas such as research and development, production, quality, EHS, sales, and human resources to ensure that employees master the latest professional knowledge and technologies and improve core skills and teamwork abilities, so as to better adapt to market changes and meet the development needs of the Company.

Case: MFLEX Empowerment Program

In 2024, the MFLEX Empowerment Program for personnel responsible for projects was successfully completed. This training comprehensively enhances project managers' leadership, project management professional skills, communication and coordination abilities, and risk management capabilities through systematic training and practice, thereby supporting the efficient achievement of corporate strategic objectives.

Case: Building a Strong Engineering Team to Support the Integration of Informatization and Industrialization

Under the Company's direction for the integration of informatization and industrialization, the cultivation of versatile engineers has become a top priority. The Company has established a comprehensive engineer training system that adopts a training model that combines internal and external training, and promotes targeted training projects across all divisions.



● External Joint Training

The Company actively provides external educational resources for employees, introducing high-quality and professional training resources internally while supporting employees to participate in external training and learning, so as to help employees keep up with the forefront fields with continuous improvement. In 2024, the Company collaborated with multiple external organizations to carry out high-quality training programs to provide employees of different types with the knowledge and resources they need.

Case: Deep collaboration between universities and enterprises to cultivate professional talents

With active promotion of internship programs, DSG collaborates with Nanyang Technological University (NTU), National University of Singapore (NUS), Singapore Institute of Technology (SIT), and Ngee Ann Polytechnic (NP) to jointly cultivate professional talents in fields of IT big data, artificial intelligence and information security, preparing for the future development. In 2024, DSG trained a total of 17 interns.

Case: DSG created multidimensional external joint training projects

In 2024, DSG collaborated with multiple external organizations to provide a series of training for employees, including but not limited to project management training, business email and letter communication skills courses, basic training on Personal Data Protection Act (PDPA), and leadership workshops, which offered employees with more high-quality training opportunities to enhance their personal and professional development.

- Collaborating with Aventis Learning Group for project management training;
- Collaborating with JCI for business email and letter communication skills training, and for productivity enhancement through Co Pilot training;
- Collaborating with Republic Polytechnic for the workplace mentorship program training;
- Collaborating with Lloyd McGill for basic training on Personal Data Protection Act;
- Conducting with NTU for the digital transformation and leadership development program (Leadership and Management Talent Pillar) training;
- Collaborating with Career Development Consulting for leadership workshops;

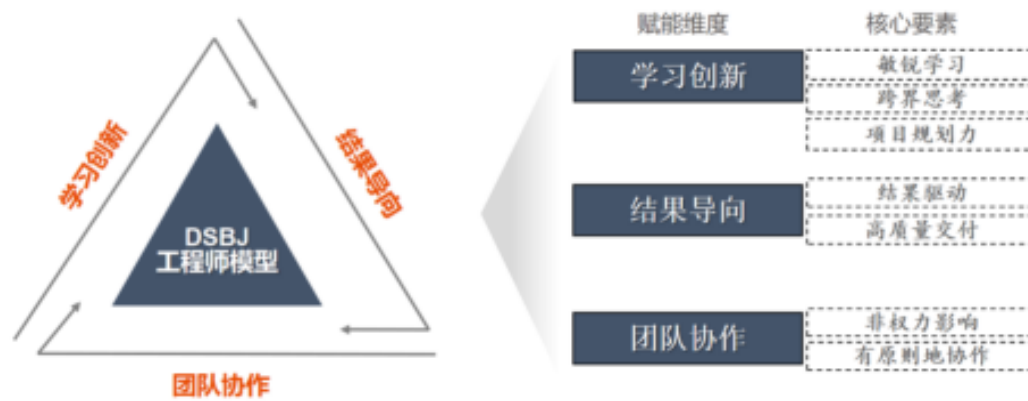
- Collaborating with other institutions for soft skills training covering critical thinking, conflict management, and more.

5.2.2.3 Employee Development

The Company continuously improves the competency model according to strategic planning and business development trends and provides employees with diverse career development opportunities and a broad stage for achievement of common development objectives between individuals and the Company. Employees have achieved continuous growth throughout their career lifecycle.

● Career Advancement

The Company continuously improves the competency model for various positions around its strategic goals and deeply integrates the model into performance management, recruitment, selection, training, and development processes to support the optimization of the talent management system.



DSBJ Engineer Model	Result Orientation
Empowerment Dimensions	Result Drive
Core Elements	High-quality Delivery
Learning Innovation	Team Collaboration

Acute Learning	Non-authority Influence
Cross-disciplinary Thinking	Principle-based Collaboration
Project Planning Capability	

Under the principles of organizational needs prioritization, emphasis on both moral character and performance, orderly promotion, and promotion and demotion of employees based on their performance, the Company has established internal rules and regulations such as the *Personnel Promotion Management Measures* related to career development to continuously improve the career advancement system. We establish clear dual channels composed of management and professional career development based on employees' own situation to realize the orderly and smooth flow of talents horizontally and vertically through internal competition, job rotation, etc., so as to provide employees with fair promotion and development opportunities. We help talents to continuously advance in the workplace. At the same time, the Company regularly conducts talent review projects to understand high-potential employees and the talent pool of key positions, and implements assessments and promotions based on the talent review outcomes. In 2024, MFLEX, the Touch Technology Division, and the Precision Manufacturing Division, etc. all carried out talent review projects.

Case: Succession Planning and Talent Management System of DSG

In 2024, DSG continued to improve its succession planning and talent management system, specifically developing a team of internal mentors. After professional training, the mentor team would provide one-on-one career guidance and skill enhancement support to the nominated outstanding employees. Customized development plans are formulated to help employees better master core competencies required for their roles while establishing clear directions and pathways for their future growth and development. This initiative comprehensively elevates the overall team's competitiveness.

● Educational and Qualification Support

As encouraging employees to continuously deepen and improve their professional fields, the Company provides sufficient support and guarantees for continuing education and career advancement, motivating employees to learn continuously to become the most competitive in their positions. The scope of re-education support covers 100% of formal employees.

Learning Resources and Platforms	The Company organizes and implements vocational skill level certifications to provide employees with opportunities to enhance their business skills. For example, the Precision Manufacturing Division organized 28 sheet metal painters to participate in the painter (Level 3) certification.
Funding and Rewards	<p>The Company supports employees to obtain higher education degrees to promote their professional development, with front-line supervisors/technicians focusing on upgrading to associate/bachelor degrees, and engineering technicians focusing on pursuing dual degrees to upgrade to bachelor's/master's degrees. Outstanding employees recommended by departments can be offered opportunities to pursue master's degrees such as Master of Business Administration (MBA), Master of Engineering Management (MEM), etc. Each division formulates degree and vocational skill improvement policies based on its own situation, providing cost reimbursement and one-time allowances as incentives for employees who obtain degrees, qualifications, or titles.</p> <ul style="list-style-type: none"> • DSG implements an education sponsorship policy, offering eligible full-time employees up to 15,000 Singapore dollars in funding; • JDI Electronics establishes the <i>Translation Recognition Criteria</i> to provide exam fee subsidies and one-time allowance subsidies for employees who meet the required competency standards. • Multek formulates the Employee Education Assistance Program (EEAP), which provides education funding for employees who participate in relevant external training and academic advancement, if they meet the stipulated conditions.

Flexible study leave

The Company adopts a flexible study leave policy, allowing employees to utilize their vacation to complete professional certifications or continuing education without affecting work progress, thus supporting employees in achieving their further education goals.

5.2.2.4 Salary Incentives

To attract, motivate, and retain outstanding talents, the Company continuously improves the employee compensation and incentive system to ensure that all employees receive compensation commensurate with their work performance.

● Diversified Incentives

Based on the “3P+1M” (Position, Person, Performance, and Market) compensation philosophy, the Company formulates scientifically and reasonable compensation and incentive program in accordance with the DSBJ Assessment and Incentive Distribution Regulations and other related compensation and incentive institutional norms. The Company has established the Assessment and Incentive Management Committee, which is chaired by the CEO, to review key assessment and incentive systems to ensure that employees receive fair and competitive compensation.

The Company’s employee compensation structure consists of fixed salary, performance pay, variable bonuses, and subsidies, in which the variable compensation is closely linked to performance evaluation results. The variable compensation of senior managers is related to the Company’s performance with the aim of encouraging them to bear more responsibilities in the Company’s development. The compensation structure of common employees includes a variable component that is linked to factors such as company performance, organizational performance, and individual performance, with the aim of fully mobilizing employees’ enthusiasm for work. Through diverse incentive mechanisms, the Company has formed a comprehensive incentive distribution plan including instant incentives, short-term incentives, and long-term incentives, which deeply integrates employees’ interests with the Company’s interests to establish a symbiotic win-win relationship between employees and the organization.

Instant

- Material immediate rewards include monthly performance bonuses, individual

incentives	<p>rewards, team rewards, etc. For example, the LED Division offers various programs such as seniority allowances, departmental stars, and attendance awards in addition to salary compensation.</p> <ul style="list-style-type: none"> Non-material immediate incentives include honorary awards, recognition, public commendation, etc. For example, the Precision Manufacturing Division regularly conducts annual evaluation work covering both individual and team awards; and the Touch Technology Division creates star employees among engineers to establish benchmarks for excellent employees.
Short-term incentives	<ul style="list-style-type: none"> The performance-driven salary adjustment strategy is adopted, according to which the salaries of employees with outstanding performance are increased regularly each year. Quarterly and annual bonuses are paid based on performance results.
Long-term incentives	<ul style="list-style-type: none"> Retention bonuses are provided for key core and high-potential employees with outstanding performance; Programs such as the employee stock ownership plan are implemented for core backbone employees.

● Performance Evaluation and Appeals

To ensure the fairness, impartiality, and objectivity of performance evaluation results, the Company promotes each division to establish the annual performance assessment plan that aligns with its actual circumstances based on the *Performance Evaluation Management Measures* and related regulations. A standardized performance evaluation mechanism is established, with regular performance assessments conducted through multi-dimensional and multi-tiered reviews to comprehensively evaluate employees' work performance and competencies. For example, the performance evaluation of the Precision Manufacturing Division, which covers employee self-assessment, superior rating, departmental rating and grading, and center-level calibration, etc., has realized objective, comprehensive and scientific evaluation of employees. The HR Department reviews, consolidates, and provides feedback on evaluation results, and drives continuous improvement of identified problems. For instance, Mutto Optronics has embedded performance improvement triggers into its performance evaluation mechanism, placing employees ranked in the

lowest performance tier for three consecutive months into a Performance Improvement Plan (PIP) to assist them in enhancing their skills and improving their work performance.

Employees may file appeals to immediate supervisors or the HR department at a higher level according to the Company's performance complaint and feedback process if they have any disagreement or lack clarity on performance evaluation results after receiving the feedback on the results. When an appeal is submitted by an employee, the designated personnel will communicate with the employee to understand the situation and timely deal with the appeal with feedback provided, so as to ensure procedural effectiveness and timely resolution.

5.2.2.5 Diversity and Opportunity Equality

DSBJ has integrated diversity and inclusion philosophy into team building, corporate operations, and cultural development. The Company prioritizes attracting talents with diverse backgrounds and helping them adapt to the surroundings, providing equal opportunities and expansive development platforms for all employees. By fostering respect, inclusivity, and open communication, the Company enhances employees' collaborative efficiency and innovation capabilities. The Company encourages employees to provide feedback on violations of diversity and inclusion principles through various channels and collects reasonable suggestions for continuous optimization and improvement of the Company's related policies and measures. To deepen employees' understanding of diversity and cultivate an inclusive workplace, the Company conducts diversity and inclusion training annually based on our diversity policies. In 2024, Multek's diversity training reached 93.4% of employees, with explicit commitments to building and maintaining a diverse, equitable, and inclusive environment that promotes cultural integration and team cohesion. Additionally, the Company regularly organizes diversity activities that involve all employees, encouraging them to actively express their opinions and embrace diverse perspectives, so as to enhance multicultural integration for higher team efficiency.

Female employees account for 39.65%

Ethnic minority employees account for 5.56%

Disabled employees account for 0.34%

Overseas employees account for 2.18%

The Company upholds principles of equality and fairness across talent development, compensation and benefits, career advancement and other aspects. Management actively values and incorporates diverse perspectives to build a diversified and vibrant workforce team. For female employees, the Company strictly complies with the *Law of the People's Republic of China on the Protection of Women's Rights and Interests* and the *Special Provisions on Labor Protection for Female Employees*, ensuring that female employees are provided with equal career development opportunities and compensations and benefits, for which employees should be paid equally for equal work regardless of their gender, and with unbiased training and promotion pathways to encourage and nurture them to take up key and managerial positions for exploring and expanding more possibilities for career development. In addition, we provide comprehensive workplace rights and welfare for female employees, including but not limited to paid prenatal check-up leave, maternity leave, paternity leave, breastfeeding leave, childcare leave, lactation rooms for breastfeeding female employees, regular distribution of benefits for International Women's Day, health seminars addressing women-specific wellness topics and other activities that care for female employees, in order to ensure that female employees can work with peace of mind and comfort. During the reporting period, female employees accounted for 17.8% of the Company's senior management, and the return rate for childcare leave achieved 100% across the Company's headquarters, DSG, Multek, the LED Division, the Touch Technology Division, and the Precision Manufacturing Division.

The Company actively drives inclusive employment for persons with disabilities by providing job opportunities, configuring accessible facilities, and enhancing communication, thereby broadening the career development path for disabled employees. Therefore, disabled employees can win social respect and realize their self-worth through their own efforts.

Case: Multek Care Project for Disabled Employees

Multek launched the Care Project for Disabled Employees in 2018. This project is intended to create opportunities for disabled individuals to integrate into the mainstream workplace; and to provide them with professional job training to help them quickly adapt to the work environment and perform their jobs competently. At the same time, Multek conducts activities

such as “Employee Communication Meetings” and “Outdoor Expansion Activities” annually to enhance communication and interaction with disabled employees for a better understanding of their needs. In 2024, Multek employed 46 disabled employees.



Outdoor expansion activities



Communication meeting for disabled employees

Case: JDI Electronics' inclusive employment project

The CCL dustproof clothing ultra-cleaning plant subordinated to JDI Electronics launched an inclusive employment project, under which it established a work team composed of 20 employees with intellectual disabilities. The CCL provides the same wages and benefits as ordinary employees to these employees with intellectual disabilities, and sets up emergency shower rooms and other special facilities dedicated to them. Meanwhile, we allocated 5 instructors to guide and educate them and train their skills from multiple aspects. In addition, the CCL strengthens communication with the families of employees with intellectual disabilities, creates employee growth profiles for them, and conducts regular summaries and discussions of special education to help them grow up in a comprehensive manner and have a self-reliant life like ordinary people.

With the acceleration of the business internationalization process, DSBJ is speeding up the implementation of an international talent training program to cultivate international talents with effective communication, resource mobilization, and problem-solving abilities overseas.

Case: MFLEX's cultivation of cross-cultural talents

To enhance employees' capabilities in cross-cultural communication and overseas compliance operations during the internationalization process, MFLEX established a cross-cultural talent training program and curriculum system in 2024, planning a three-year progressive training path from 2024 to 2026 to specifically improve employees' cross-cultural abilities. With defined core intercultural competencies such as international perspective, business communication, international market rule, and international leadership, MFLEX has designed a three-tier curriculum system composed of "Basic-Intermediate-Advanced" courses targeting at three key roles: overseas business executives, headquarters liaison personnel, and expatriate managers, in order to continuously cultivate more international talents for reserve. This curriculum system features a series of specialized courses, including Cross-Cultural Awareness, Cross-Cultural Conflict Management, Cross-Cultural Integration, Expatriate Stress and Emotional Management, Cross-Cultural Influence, and among others.

5.2.2.6 Vibrant Workplace

With great attention to human care for employees, the Company advocates for a balance between life and work and provides comprehensive welfare benefits for all employees. In addition to statutory basic benefits, the Company has provided employees with commercial insurance, paid leave, high-temperature subsidies, health examination, health lectures and consultations, holiday gifts, free meals, etc., to enhance employees' sense of belonging and happiness. We pay attention to special employee groups such as pregnant women, disabled individuals, and families in difficulties, actively offer them economic assistance, welfare benefits, and care and warmth to create a warm and loving corporate atmosphere. We hold diverse employee activities to enrich employees' leisure lives, helping them relieve work pressure to maintain a positive and upward work and life attitude.

The Company places high priority on employees' mental health, continuously expanding the coverage of its psychological support project under the employee assistance program (EAP) to provide psychological assistance and support through multiple channels, including face-to-face counseling and telephone consultations. These initiatives enable timely identification, prevention, and mitigation of crisis incidents, fostering a positive workplace environment. By the end of 2024, the EAP will have covered all employees at Multek Division. In addition, the Company actively

organizes seminars themed on mental health to continuously improve employees' emotional management skills. During the reporting period, DSG conducted a series of lunchtime lectures addressing topics such as stress management, building positive relationships, and AI awareness, which empowered employees to better manage their physical and mental health.



Multek held an employee talent show



Multek supported employees in need



MFLEX established an employee activity center and conducted a variety of club and team-building activities



MFLEX established a summer care class for employees' children and conducted the "Little Migratory Bird" care activity to address employees' summer childcare challenges.



The Precision Manufacturing Division held birthday parties for employees



DSG carried out team building activities



The Touch Technology Division conducted team leader employee activities



The LED Division held family day activities

● Employee Satisfaction Management

To comprehensively understand employees' workplace experiences and perceptions, the Company conducts annual employee satisfaction surveys covering aspects such as work environment, career development, compensation and benefits, and corporate culture. For dimensions with lower satisfaction, we have formulated improvement plans, which will serve as important references for the optimization of organizational management. The Company continuously monitors and analyzes employees' satisfaction trends to continuously optimize their experiences. In 2024, the majority of employees showed favorable attitudes towards organizational culture, development prospects, personal management, and team management. Based on the research analysis results, the Company has formulated specific improvement measures for the areas with lower satisfaction, including the working environment, salary and benefits, and logistics management. For example, the Mutto Optronics planned to renovate employee cafeterias and dormitories in 2025 to systematically enhance dining and accommodation facilities.

5.2.3 Risk and Opportunity Management

With priority in human capital risk management, DSBJ systematically identifies, assesses, addresses, and monitors human capital risks aligned with strategic objectives. The Company conducts comprehensive analyses of internal and external factors that may harm to human capital development in order to identify key risk areas including but not limited to talent attrition, shortage of key talents, poor performance management, inadequate training and development, lack of competitive or equitable compensation and benefits, legal compliance issues, and organizational

culture risks. To address these risks, we have developed a talent development strategy aligned with the Company's strategic planning and business development direction, according to which the key initiatives include enhancement of compensation competitiveness, establishment of a full-cycle career growth support system and optimization of HR management processes across talent attraction, cultivation, utilization, and retention. Through these initiatives, we can ensure that human capital development risks remain controllable while stabilizing workforce continuity and improving organizational performance with the assistance of a risk monitoring mechanism.

5.2.4 Indicators and Targets

Indicators and Targets	Achievement in 2024
The Company implements company-wide employee training programs designed to comprehensively strengthen core competencies and professional capabilities of all employees, ensuring workforce development maintains strategic alignment with corporate objectives.	<p>Targets achieved</p> <p>100% coverage of employee training</p> <p>Employee training participants totaled 472,821</p> <p>Employee training hours totaled 1,118,601</p> <p>Average training hours per employee amounted to 47.57</p>

5.3 Community Construction

The Company's sustainable development cannot be separated from the stability and prosperity of society. The Company actively practices corporate social responsibility, participating in various charity and volunteer activities and prioritizing hiring residents from production and operation sites to contribute to boosting the local economy while repaying the community through practical actions.

In 2024, the Company's external public welfare donations amounted to RMB 7,186,600.

By the end of 2024, the number of local recruits reached 6,739.

Case: Illuminating the “Light of Dreams” for adolescents in difficulties

Children and adolescents represent the future of a country and the hope of a nation. The underserved youth, as a vulnerable group, require heightened societal support. In 2024, the LED Division donated RMB 800,000 to the “Dream Transformation+” care initiative, supporting the aspirations of adolescents in difficulties through practical actions. These funds would enhance living and learning environments for adolescents in difficulty, paving their “path to dream realization” and igniting the “light of hope”.



DSG conducted beach cleanup volunteer activities in Singapore parks



MFLEX visited a special school to provide supplies for children



The Touch Technology Division conducted



The LED Division encouraged employees

volunteer activities in elderly care apartments

to participate in park volunteer activities to

assist in the maintenance of public facilities

in the park and surrounding areas

Appendix

Appendix I: Key Performance Table

Corporate Governance and Economic Performance

Economic Performance

Indicators	Unit	2024
Operating income	RMB 0.1 billion	367.70
Net profit attributable to shareholders of the listed company	RMB 0.1 billion	10.86
Basic earnings per share	RMB/share	0.64

Corporate Governance

Indicators	Unit	2024
Proportion of female directors	%	11.1%
Proportion of independent directors	%	33.3%

Business Ethics and Anti-corruption

Indicators	Unit	2024
Proportion of directors participating in anti-corruption training	%	100%
Proportion of employees participating in anti-corruption training	%	100%
Average anti-corruption training hours per employee	Hour	3

Environmental Performance

Environmental Management

Indicators	Unit	2024
Environmental protection investment	RMB 0'000	25,458.42
Coverage rate of environmental training in main operation locations	%	100%

Energy Use and GHG Emissions ¹

Indicators	Unit	2024
Gasoline	Ton	82.42
Diesel	Ton	56.16
Natural gas	m ³	6,914,644.40
Purchased electricity	kWh	915,239,602.84
Total energy consumption	tce	121,882.54
Solar/PV Consumption	kWh	39,323,394.00
Direct GHG emissions (Scope 1)	tCO ₂ e	15,525.31
Indirect GHG emissions (Scope 2)	tCO ₂ e	491,117.57
Total GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	506,642.88
GHG emission intensity (Scope 1 and Scope 2)	tCO ₂ e /RMB10,000 of revenue	0.1378

Note 1: Scope 1 GHG emissions are direct emissions from the Company's consumption of gasoline, diesel, and natural gas, while Scope 2 GHG emissions are indirect emissions from the electricity purchased by the Company. The Scope 1 GHG emission factors are calculated based on the *Reporting Guidance on Environmental KPIs* published by the National Development and Reform Commission, while the Scope 2 GHG accounting methods are adopted with reference to the *Announcement on the Release of the 2022 Carbon Dioxide Emission Factors for Electricity* jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

Water resource usage

Indicators	Unit	2024
Total Water Intake	Ton	8,754,913.91
Total water discharge	Ton	6,306,144.37
Total water consumption	Ton	2,448,769.54
Water consumption intensity	Ton/ RMB 10,000 of revenue	0.6660

Water recycling	Ton	65,293,717.32
Recycled water ratio	%	88.18%

Emissions and Waste

Indicators	Unit	2024
Compliance rate of “three wastes” emissions	%	100%
Total wastewater discharge volume	Ton	6,041,113.37
Chemical oxygen demand	Ton	7,548.66
Ammonia nitrogen emission	Ton	148.81
Volatile organic compound emissions	Ton	1,050.10
Nitrogen oxides (NOx) emissions	Ton	20.42
Sulfur oxides (SOx) emissions	Ton	1.90
Particulate matter (PM) emissions	Ton	8.94
Amount of Non-Hazardous Waste	Ton	41,554.93
Recycled amount of non-hazardous waste	Ton	38,489.08
Amount of generated hazardous waste	Ton	31,851.18
Amount of recycled hazardous waste	Ton	21,357.41
Amount of disposed hazardous waste	Ton	10,512.73

Social Performance

R&D and Innovation

Indicators	Unit	2024
R&D investment	RMB 0.1 billion	12.67
Proportion of R&D investment over revenue	% %	3.45
Cumulative number of valid patents obtained	Item	954
Cumulative number of software copyrights obtained	Item	115

Customer Rights and Interests

Indicators	Unit	2024
Customer complaint response rate	%	100
Customer complaint resolution rate	%	100

Supply Chain Management

Indicators	Unit	2024
Total Number of Suppliers	-	5,040
Number of suppliers in China (including Hong Kong, Macao, and Taiwan)	-	4,531
Number of overseas suppliers	-	509
Number of suppliers certified by quality management system	-	2,747
Number of suppliers certified by the occupational health and safety management system	-	990
Number of suppliers certified by the environmental management system	-	1,163
Number of suppliers undergoing responsible mining supply chain due diligence	-	2,149

Employee Responsibility

Indicators	Unit	2024
Total Employees	Person	23,515
Proportion of female employees in senior management	%	17.8
Employee discrimination incidents	Event	0
Total number of employee training participants	Participant	472,821
Total study hours for employee training	Hour	1,118,601
Employee training coverage rate	%	100
Average annual training hours per employee	Hour	47.57

Occupational Health and Safety

Indicators	Unit	2024
Incidence of occupational diseases	%	0
Number of employees who died due to work-related injuries	Person	0
Number of workdays lost due to work-related injuries	Day	856

Social Welfare

Indicators			Unit	2024
Public Welfare Donation			RMB 0'000	718.66
Investment				

Appendix II: Index of Indicators

Global Sustainability Standards Board; Guidelines for Self-regulation of Listed Companies No.

17 - Sustainable Development Report (Trial), Shenzhen Stock Exchange (SZSE) ;

Disclosure requirements	Corresponding section in the Report
Addressing climate change	Addressing climate change
Pollutant Emission	Pollution prevention and ecosystem protection
Waste treatment	Pollution prevention and ecosystem protection
Ecosystem and biodiversity conservation	Pollution prevention and ecosystem protection
Environmental compliance management	Environmental management
Energy utilization	Addressing Climate Change
Water resource utilization	Resource utilization and circular economy
Circular economy	Resource utilization and circular economy
Rural revitalization	No related work has been carried out in 2024
Social contribution	Community construction
Driven by innovation	Driven by innovation
Technology ethics	Driven by innovation
Supply chain security	Collaboration for mutual benefit to build a sustainable supply chain
Equal treatment of small and medium-sized enterprises	Collaboration for mutual benefit to build a sustainable supply chain
Product and service safety and quality	Quality priority / Professional services
Data security and privacy protection	Information security and privacy management

Employee	Labor and human rights management / Human capital development
Due Diligence	Materiality analysis
Communication with stakeholders	Communication with stakeholders
Anti-commercial bribery and anti-corruption	Business ethics and anti-corruption
Anti-Unfair Competition	Business ethics and anti-corruption
Voluntary disclosure of topics	Corresponding section in the Report
Responsible mining	Collaboration for mutual benefit to build a sustainable supply chain

GRI Content Index

Usage statement: The Company has prepared this report in accordance with GRI standards for the reporting period from January 1, 2024 to December 31, 2024.

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