



Environmental, Social, and Governance Report

2024

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About This Report

Report Introduction

This report is the sixth Environmental, Social and Governance (ESG) report released by Shiyuan Electronic Technology Company Limited (hereinafter referred to as “CVTE”, “the Company”, or “we”) (the reports of previous years were called “Corporate Social Responsibility Report”). Based on the principles of objectivity, fairness, and transparency, this report truly reflects the Company’s management strategies, practices and performance in ESG areas in 2024. It aims to communicate effectively with all stakeholders and respond systematically to their expectations and demands.

Report Scope

This report is an annual report covering the results of the Company’s work on ESG during the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as “during the reporting period”, “this year” or “2024”). In order to enhance the comparability of this report, some contents will be extended as appropriate.
The organizational scope of this report is the Company and its subsidiaries within the scope of consolidated statements.。

Preparation Basis

Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)
UN Sustainable Development Goals (SDGs)
International Organization for Standardization’s ISO 26000: Guidance on Social Responsibility (2010)
China National Standard Guidance on Social Responsibility Reporting (GB/T 36001-2015)
Shenzhen Stock Exchange’s No. 17 Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange - Sustainability Report (Trial) and No. 3 Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange - Preparation of Sustainability Report
International Sustainability Standards Board’s International Financial Reporting Standards No.2
Sustainability Disclosure — Climate-Related Disclosures (IFRS S2)

Information Source and Description

The data and cases in this report are mainly derived from publicly available government data, internal statistics of the Company, official documents, or third-party reports, and have been reviewed by the relevant authorities. Unless otherwise specified, all currency units mentioned in this report are in RMB.

The Company has commissioned an independent verification of the information and data disclosed in this report by a third-party certification body in accordance with the AA1000 AS v3 (Type 2) assurance standard. Please refer to Appendix Four, "External Assurance Statement", in this report for the assurance report.

Important Hint

This report has been reviewed and approved by the Company's board of directors, and no false records, misleading statements, or significant omissions were found.

Report Acquisition

You can download the Chinese and English versions of this report from the official website of CVTE (<http://www.cvte.com/>) and CNINFO (<http://www.cninfo.com.cn/>). If you have any questions or suggestions about this report, please send an email to shiyuan@cvte.com, or you can call 020-32210275.

About CVTE

CVTE, founded in 2005, is a provider of intelligent electronic products and solutions with interactive displays and artificial intelligence as the core. It has always been committed to improving user experience through R&D design and product innovation, and continuously creating value for customers. Since its establishment, the Company has relied on its accumulation of software and hardware technologies in the fields such as display, audio and video, connection, power, and artificial intelligence to carry out technological innovation and product development across various application scenarios, constantly enriched and extended its product lineup, and gradually achieved a leading position in the market segment through its strong product and resource integration capabilities. The Company has also established several well-known industry brands, including seewo, a provider of digital education tools and services, and MAXHUB, a smart collaboration platform.

Currently, the Company's three core products—the LCD TV main control board, seewo intelligent interactive flat panel, and MAXHUB intelligent interactive flat panel—have all been recognized as national-level manufacturing champion products certified by the Ministry of Industry and Information Technology. For more information, please see the 2024 Annual Report of Guangzhou Shiyuan Electronic Technology Company Limited.



Chairman's Speech

—Together shape a sustainable future with responsibility

In 2024, opportunities and challenges go hand in hand. The achievements of CVTE are a testament to the efforts of all employees, built on the trust of our valued customers, and made possible by the support of our suppliers and partners. On behalf of the Board of Directors of CVTE, I sincerely thank each and every one of our colleagues!

Tackling technical challenges to define the future of the industry through innovation

Genuine innovation often begins with a deep understanding of human needs. In the thriving wave of technological innovation, CVTE consistently focuses on creating business value for customers through technological innovation. At the same time, we hope to leverage technology to help people better connect the physical and digital worlds, bridging the "digital divide".

In the field of interactive technology, we have innovatively developed an all-encompassing press-sensitive touchpad, establishing a new standard for tactile experience. Our goal is to let tens of millions of users feel the "realness at their fingertips". We have also pioneered multi-finger touch with localized vibration technology from the ground up, helping visually impaired individuals access the digital world and continuously advancing digital inclusion. In the field of display technology, relying on our independent development capabilities of ultra-large, ultra-high-definition display modules, and utilizing optical film design and 3A glass processing techniques, we have addressed the glare issues on large screens, enabling students in different parts of the classroom to see clearly. We are using technology to uphold educational equity.

This year, the Company's investment in research and development reached a new high, with over 1,600 new patent applications. While these investments may not immediately translate into financial growth, we firmly believe that our commitment to fundamental scientific research is the greatest investment in the Company's sustainable development in the future.

In 2024, our self-developed CVTE large language model (LLM) received national approval, injecting innovative energy into the digital transformation of vertical sectors such as education and conferencing. With breakthroughs in edge-side inference technology, it can effectively address users' concerns about privacy leaks, network delays, or service interruptions when using smart terminal devices. As LLM generative AI technology is deeply integrated into educational settings, we utilize a classroom intelligent feedback system to truly empower frontline teaching with AI. By the end of 2024, the seewo classroom intelligent feedback system has been established in 19 key demonstration zones across the country, covering over 2,000 schools and generating more than 150,000 AI-based lesson review reports.

Green transition, protecting Earth's ecosystems through technology

Reverence for nature is the foundation of sustainable business of companies. CVTE believes that technological innovation is an effective way to address climate challenges and achieve green development. We take actions centered on continuously advancing energy conservation and emission reduction, increasing the use of clean energy, developing environmentally-friendly products, and promoting the circular economy.

At our smart manufacturing plant in Guangzhou, we have deployed multiple automated aging systems equipped with energy recovery features. When operating at full capacity, these systems can save up to 1,260 kWh of electricity daily. We are also advancing the use of clean energy; in 2024, our office park's photovoltaic array generated 679,300 kWh of electricity throughout the year, and our energy storage system stored 410,000 kWh of electricity by peak-load shifting.

Through process optimization and scientific application of materials, we perform lightweight design for our core products such as intelligent interactive flat panels, continuously creating environmentally friendly products that combine high performance with low carbon footprint. By innovating across multiple dimensions, including process innovation, algorithm optimization, and thermal material technology research, we constantly improve product energy efficiency, reduce energy consumption during use, and lessen environmental impact. Upholding the vision of "Green Energy, Warm Living", we seize opportunities in clean technology, focusing on home energy storage inverters to improve energy accessibility. Whether in regions facing power shortages or markets with high electricity prices, we drive the adoption of green energy into thousands of households through product innovation.

Ecological harmony, built on responsibility to strengthen industry resilience

If you want to go fast, walk alone; and if you want to go far, walk together. As a "dual chain leader" company, CVTE always views the industrial value chain as a community of shared responsibility to build a resilient ecosystem through open collaboration.

MAXHUB, our global brand, has joined the United Nations Global Compact. We hope to build a bridge for mutual learning among civilizations using technology as a bond. In 2024, our brands appeared at major international industry exhibitions such as the European ISE Expo, and the InfoComm in the US and the Asia-Pacific region in succession, showcasing Chinese technology on the global stage. Seewo participated in drafting the White Paper on Data Governance and Sharing Technical Standards for Educational AI LLM, supporting high-quality development in the education sector. By the end of 2024, the Company has participated in the development of a total of 110 national, industry, and group standards.

We regard our employees as a vital cornerstone and valuable asset for the company's long-term stability and sustainable growth. We are committed to safeguarding employee welfare, continuously enhancing their sense of happiness and fulfillment, and sharing the fruits of corporate development with them. We actively promote a transparent and ethical supply chain, working closely with our partners to build a strong line of defense against corruption and foster a healthy, transparent business environment. In terms of customer service, we have established diverse and accessible communication channels, and have achieved year-over-year improvements in customer satisfaction for several consecutive years. In the face of external challenges, we maintain close collaboration with upstream and downstream partners, turning shared risks into collective momentum for growth.

Social equity, nurturing the blossoms of civilization with goodwill

Technology, with its warmth, should illuminate even the most forgotten corners. CVTE has always embedded social value into its business DNA, making goodwill a fundamental element of its development.

Through the "Seewo Public Welfare Activity", we have invested a total of RMB 62.27 million, reaching all 31 provincial-level regions across China and benefiting over 57,000 teachers and 660,000 students. From 2022 to 2024, we supported teachers in 160 national key rural revitalization counties by providing digital devices, professional training both online and offline, and courses to enhance the digital skills of future educators, helping to improve their quality collaboratively. The Seewo Xingtian Program brings together outstanding educators who are dedicated to exploring education. Through an integrated, information-driven training system, we have innovated a "teacher mentoring teachers" model. So far, we have trained 1,676 Xingtian mentors nationwide, who in turn have helped over 200,000 teachers improve their digital teaching capabilities. This is not only a relay of the torch of knowledge, but also a testament to our unwavering commitment to educational equity.

Planting the seed of public service in employees' hearts is another form of corporate responsibility. We provide diverse platforms for employees to participate in social good. Our "Vitamin C Volunteer" service team continuously engages in activities such as tree planting, elderly care, and blood donation. In 2024, employees participated in volunteer efforts 1,824 times, contributing over 10,000 hours of service. The "Vitamin C Children Safeguard" initiative, through programs like the "Vitamin C Healthy Dinner" and health education campaigns, supports the healthy growth of children in rural areas.

Though the road ahead may be long and winding, we remain steadfast in our steps; though the journey is arduous, perseverance leads us forward.

In this era of transformation and challenge, CVTE, as a technology enterprise, will continue to advance with the times, uphold technological innovation, and strive to deliver more high-quality products and services to our users. We firmly believe that true business success stems from relentless innovation, reverence for ecological sustainability, respect for partners, and a commitment to the human touch. Let us join hands to write a new business chapter with a force for good.

ESG Highlights and Performance



Green Operation

- Certified under ISO 14001:2015 Environmental Management Systems, covering key office locations
- Promoted energy transition, and achieved **679,300 kWh** in photovoltaic power generation in 2024; implemented peak-valley electricity pricing-based energy storage strategy, to achieve stored electricity **exceeding 410,000 kWh**
- Implemented a "right tree for the right place" planting strategy, a total of **320 trees** were planted in 2024, and the area of ground cover greenery increased by **3,774 m²**, continuously enhancing the ecological environment quality of the park
- Total greenhouse gas emissions¹ reached **109,969.85tCO₂e**. Greenhouse gas emission intensity (Scope 1 + Scope 2) was **0.018 tCO₂e per RMB 10,000 of revenue**



Green Products

- Continued to advance process optimization and the application of materials science to develop environmentally-friendly products that combine high performance with low-carbon characteristics
- The latest generation of integrated LED products all obtained China Energy Label **Level 1 certification**
- The Company has obtained **QC 080000** certification for hazardous substance process management systems for our major businesses, and multiple products have passed testing and verification for EU **RoHS, REACH**, and other standards
- Actively expanded into the power electronics sector, leveraging scenario-based innovation to improve global energy accessibility



R&D and Innovation

- R&D investment reached **RMB 1.54 billion**, a **7.2%** year-on-year increase; R&D personnel accounted for **57.51%** of total staff
- The number of new patent applications **exceeded 1,600**, and the cumulative number of valid patents **exceeded 11,000**, including **over 2,000** valid invention patents
- Cumulatively obtained **over 4,300** computer software copyrights and work copyrights
- Completed filing of the self-developed "CVTE Large Language Model (Self-Developed)"², supporting the intelligent development of the industry

¹Not all emission categories are included. For details, please refer to the corresponding section in the full report

²The filing for the "CVTE Large Language Model (Self-Developed)" was completed on March 28, 2024, with the filing No. "Guangdong-shiyuan-20240314"

ESG Highlights and Performance



Responsible Marketing

- Achieved an annual customer satisfaction rate of over **99%** for five consecutive years; received after-sales service certification – Five-Star After-Sales Service, and certification for service completeness - Twelve-Star Outstanding After-Sales Service
- Conducted routine specialized customer service training, totaling **1,032 hours** in 2024, covering **over 10,000** network engineers
- 12** responsible marketing training sessions were held in 2024; no non-compliant advertising or marketing incidents occurred throughout the year
- Obtained the ISO 27001 Information security management system certification, and ISO 27701 Privacy information security management system certification



Employee Development

- 100%** employee physical examination coverage, providing comprehensive health management services for employees and their families
- 100%** employee training coverage, with an average of **67 hours** of training per person in 2024
- Employee engagement and organizational support scores reached **4.44** and **4.38** out of 5 respectively, showing improvement over the previous year
- Women accounted for over **26%** of internal senior management roles³



Social Welfare

- As of the end of 2024, Seewo Public Welfare Project had invested a total of **RMB 62.27 million**, reaching **31 provinces** (including autonomous regions and municipalities) nationwide, benefiting **over 57,000** teachers and **660,000** students
- The Teacher Digital Capability Enhancement Support Project has helped teachers in **160** national key rural revitalization counties to collaboratively improve quality
- "Teacher mentoring teachers" Teacher Professional Development - Seewo Xingtian Program has trained a total of **1,676** Xingtian mentors, helping **over 200,000** teachers improve their digital capabilities.
- In 2024, employees participated in volunteer activities **1,824 times**, accumulating a total of **11,016 hours** of volunteer service



Corporate Governance

- Established a comprehensive bribery and anti-corruption education system that combines "precise outreach and ecosystem co-creation", ensuring bribery and anti-corruption training covers all employees
- Received the highest rating - **Level A** in information disclosure from the Shenzhen Stock Exchange for 2023-2024, expanding investor communication channels through multiple formats
- MAXHUB joined the United Nations Global Compact (UNGC)**, supporting the Ten Principles in the areas of human rights, labor standards, environment, and anti-corruption, contributing to the achievement of the UN Sustainable Development Goals (SDGs)

³Internal senior management is not equivalent to statutory executives of a listed company

ESG Governance

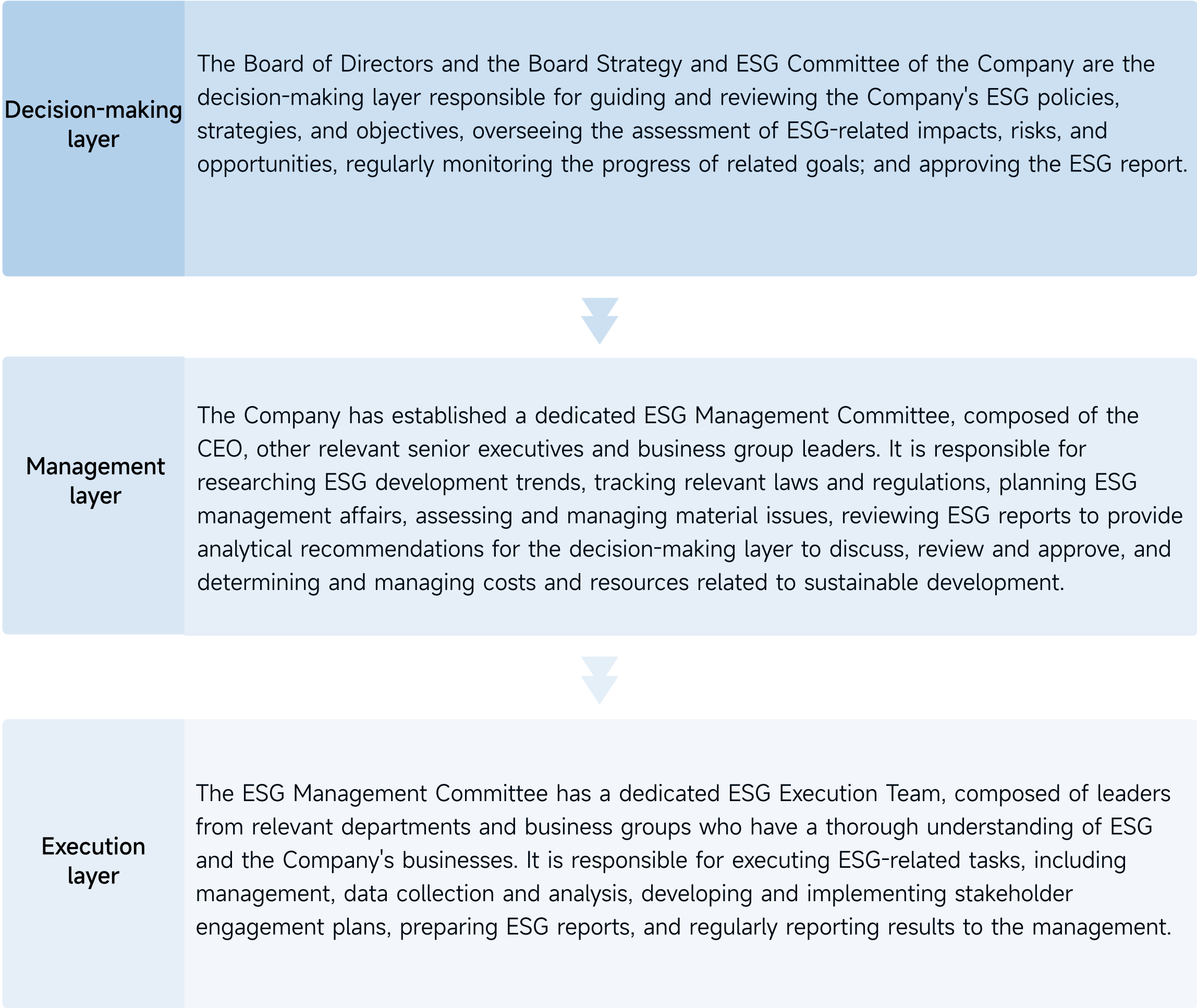
CVTE adheres to its corporate mission of "Because of our presence, more people have successful careers and happy lives", and deeply integrates ESG principles with corporate governance to lay a solid foundation for sustainable development. As a responsible corporate citizen, we align ourselves with the United Nations Sustainable Development Goals (SDGs). We thoroughly explore how our value chain activities impact the SDGs and identify areas for action. Our focus includes key areas such as environmental sustainability, R&D innovation, quality management, customer service, supply chain, employee development, and social responsibility. We listen to and address concerns from various stakeholders regarding our ESG efforts, actively promoting collaboration across the entire industry supply chain.

In 2024, our brand **MAXHUB joined the United Nations Global Compact (UNGC)**, supporting the Ten Principles in the areas of human rights, labor standards, environment, and anti-corruption, contributing to the achievement of the UN Sustainable Development Goals (SDGs).



ESG Governance Structure

To ensure effective deployment and standardized management of ESG initiatives, the Company continuously improves its ESG governance structure and strengthens the supervisory responsibilities of the Board of Directors. The Company has established a governance structure with the Board of Directors, Strategy and ESG Committee as the decision-making layer, the ESG Management Committee as the management layer, and the ESG Execution Team as the execution layer, with clear responsibilities and coordinated operations.



Communication with Stakeholders

The Company consistently focuses on the demands of all stakeholders and is committed to building diverse and effective communication mechanisms to fully understand and respond to their expectations and demands. We strive to establish long-term mutual-trust partnerships, working together to achieve sustainable development and create value for all parties.

We have outlined the expectations and demands of all stakeholders, and our responses are as follows:

Stakeholders	Communication channels	Expectations and demands	Our response
Shareholders and investors	<ul style="list-style-type: none">Shareholders' meetingCompany announcementPerformance briefing/roadshowPhone and emailSite survey	<ul style="list-style-type: none">Sustainable businessReturn on investmentTechnological innovation	<ul style="list-style-type: none">Establish and improve a compliance management system, and perfect the ESG strategyProvide reasonable investment returns and strengthen communication with investorsIncrease investment in R&D and innovation
Government and regulatory authorities	<ul style="list-style-type: none">On-site inspectionPhone and emailPolicy consultation feedbackSpecial meeting or report	<ul style="list-style-type: none">Compliance operationSupporting economic development and aligning with national strategiesClimate change and energy conservation and emission reductionProvide job opportunities	<ul style="list-style-type: none">Implement compliance and regulatory policiesCarry out business activities in line with industry and regional economic development needsIdentify climate risks and opportunities, and take concrete actions to promote low-carbon emission reductionsActively assume social responsibilities
Customers	<ul style="list-style-type: none">Customer satisfaction surveyCustomer complaints and return visitsOffline and online communication platforms	<ul style="list-style-type: none">Product qualityInnovative research and developmentCustomer relations and servicesCustomer privacy protectionEnvironmental attributes of products	<ul style="list-style-type: none">Strengthen all-round quality controlProduct iteration innovationProvide quality servicesStrengthen customer data security and privacy protectionUse harmless and environmentally-friendly materials and green production processes
Suppliers	<ul style="list-style-type: none">Open tenderingSupplier conferenceSupplier training and empowermentOn-site inspection and audit	<ul style="list-style-type: none">Mutual benefit and win-win cooperationIntegrity and cooperationOpen and transparent tenderingResponse to climate change and energy conservation and emission reduction	<ul style="list-style-type: none">Establish an open and transparent tendering processImprove the supplier evaluation and management systemSupplier empowermentCreating a sustainable supply chain
Employees	<ul style="list-style-type: none">Union feedback appletUnion mailboxSatisfaction surveyClub activities	<ul style="list-style-type: none">Work environmentOccupational health and safetyCompensation and benefitsCareer development	<ul style="list-style-type: none">Create an open, equal, and inclusive work environment, and eliminate discriminatory behaviorSound health management and safety production assuranceProvide market-competitive compensation and benefitsProvide smooth career promotion channels and diverse training opportunities
Community and public	<ul style="list-style-type: none">Information disclosureOfficial website and social media platformsCommunity activities	<ul style="list-style-type: none">Environmental protectionRural revitalizationCommunity public welfare	<ul style="list-style-type: none">Reduce the negative environmental impact at the operational levelSupport the development of education informatizationEncourage employees to participate in volunteer service

Double Materiality Assessment

Assessing the material issues is a critical component of ESG management. Following the guidelines of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange— Sustainability Report (For Trial Implementation), we conducted assessment and analysis of material issues regarding sustainability, including a “double materiality” analysis of impact materiality and financial materiality, to define the Company's ESG priorities and disclosure content.

Materiality assessment process

① Understand the context of the business activities and relationships of the Company

- Analyze the Company's internal activities and business relationships, as well as the impacts on sustainable development along the value chain upstream and downstream.
- Understand the external objective environment, including macro policies, regulatory requirements, and industry trends for 2024, and identify potential impacts on the Company.
- Identify the affected stakeholders

② Build an ESG issue list

Identify potential materiality issues and establish an ESG issue list following the Shenzhen Stock Exchange and relevant policy guidelines, international standards and initiatives, mainstream international ESG ratings, and industry best practices, combined with the Company's sustainability planning and the analysis results of past materiality issues.

③ Issue materiality assessment

After establishing the issue library, we conducted a comprehensive analysis of each issue's impact, risks, and opportunities to further assess their impact materiality and financial materiality.

• For impact materiality issues

We conducted research with internal and external stakeholders by using surveys and interviews. We assessed and analyzed the impact materiality of various issues based on two dimensions: the “severity of impact” (scale, scope, irreversibility) and the “likelihood of impact”. The respondents included company executives, employees, investors, suppliers, customers, media, etc. Based on stakeholder feedback and with reference to internal and external expert opinions, we finalized the impact materiality assessment results for all issues.

• For financial materiality issues

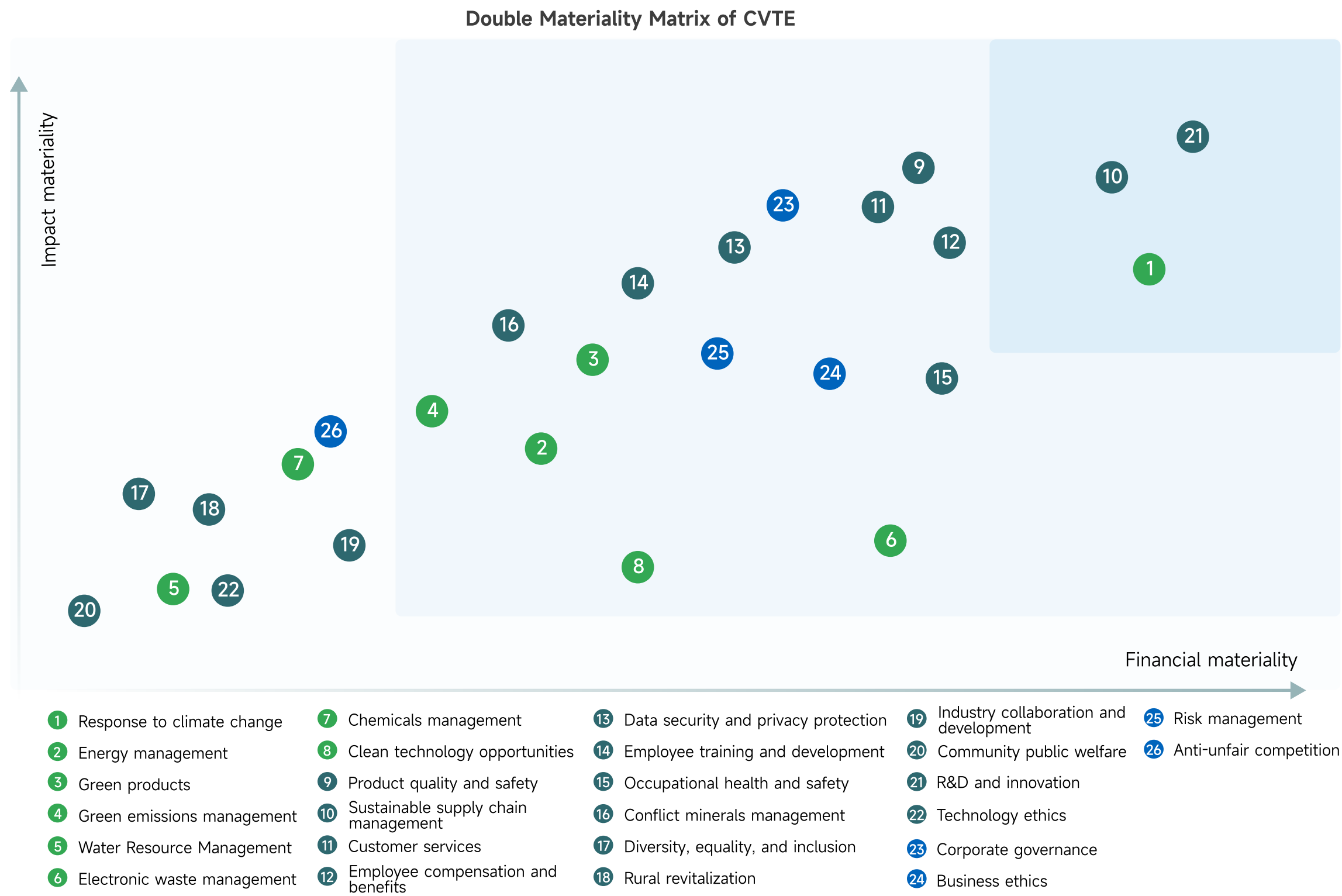
Combining internal and external expert opinions, peer practices, and feedback from management and relevant stakeholders, we assessed the potential impact of the issues on the Company's financial performance based on two dimensions: "possibility" and "magnitude", across three time horizons: short-term (within 1 year), mid-term (1-5 years), and long-term (over 5 years), to obtain the financial materiality assessment results.

④ Issue discussion and confirmation

- By integrating both impact and financial materiality results with the Company’s operational and management capabilities, we established thresholds for determining materiality and generated the list of materiality issues.
- The identification and assessment results of materiality issues were disclosed after being reviewed and confirmed by the Company's board of directors.

Materiality Assessment Result Matrix

The materiality issues identified by the Company and the matrix chart are shown in the diagram below. Based on the assessment results, we identified the issues with high financial impact on the Company for climate change mitigation, R&D and innovation, and sustainable supply chain management. We will also actively explore methods for assessing the financial materiality issues to better guide relevant management and disclosure work.



Assessment of the Impact, Risks, and Opportunities of Financial Materiality Issues

Financial materiality issues	Impact analysis	Risk analysis	Opportunity analysis	Value chain impact	Time horizon ⁴	Sections stating management measures
R&D and Innovation	As a tech company, R&D investment directly determines technological barriers, product iteration capabilities, and long-term market competitiveness, making it the Company's core financial driver. Meanwhile, continuous investment is needed for R&D and innovation, especially in developing new technologies and products, which may impact the Company's profit performance in short-term.	<ul style="list-style-type: none">• Rapid technological iteration: The electronics industry experiences fast-paced updates and upgrades. Companies must continuously invest in R&D to stay competitive, which can entail high costs and technological risks.• Immature technology: In the process of technological innovation, uncertainties in technology may lead to failure of the innovation.• Intense market competition: As new entrants keep emerging and competition intensifies, companies must continuously strengthen their core capabilities to adapt to market changes.	<ul style="list-style-type: none">• Technological innovation leading development: The rapid advancement of technologies such as artificial intelligence and the Internet of Things has brought new opportunities for the electronics industry. The application of AI technology has made electronic products smarter. At the same time, emerging fields such as robotics and other end-user products are expected to grow rapidly, offering the industry more opportunities for expansion and development.	Company operations Downstream of value chain	Short-term, mid-term, long-term	Innovation-driven development
Supply chain management	The electronics industry's supply chain is highly complex, directly impacting cost control, delivery stability, and ESG compliance risks.	<ul style="list-style-type: none">• Supply chain disruption risks: Supply disruptions arising from insufficient supply of critical raw materials and components, or factors such as natural disasters, and political conflicts, could affect product manufacturing and delivery.• Supplier quality issues: Problems with the supplier's product quality may affect the Company's product quality, damage its reputation, reduce brand value, and impact long-term growth.	<ul style="list-style-type: none">• Digital transformation: Enhancing supply chain transparency and collaboration, reducing operational costs, and boosting overall competitiveness. From demand forecasting to production planning, inventory management, and logistics & transportation, utilizing the means of digitalization and informatization can enhance operational efficiency and reduce costs.• Supplier collaboration: Building closer partnerships with suppliers to enhance the stability and reliability of the supply chain. Sharing information with suppliers and collaborating on innovation to better respond to market changes and enhance overall competitiveness.	Upstream of value chain Company operations Downstream of value chain	Short-term, mid-term, long-term	Co-building of responsible supply chain
Response to climate change	As governments worldwide place increasing emphasis on climate change issues, carbon emission regulations and policies are becoming more stringent. Both physical measures and market transitions could significantly impact the Company's operations and financial condition.	<ul style="list-style-type: none">• Physical risks: Extreme weather events (such as hurricanes and floods) could directly damage the manufacturing facilities of the Company, leading to operational disruptions.• Transition risks: including regulatory risks, technological risks, market risks, and reputational risks. For details, see the Section on "Response to climate change".	<ul style="list-style-type: none">• Products and services: Under the trend of sustainable development, the public's preference for green products and services is gradually increasing. The Company can develop green, low-carbon products to expand its market share.• Resource efficiency: Continuously promoting the concept of green operations through energy-saving technologies, purchasing green electricity, self-generation of green electricity, resource recycling, etc. to improve resource utilization can reduce resource consumption and waste generation during production, and lower operational costs.	Upstream of value chain Company operations Downstream of value chain	Mid-term, Long-term	Response to climate change

⁴Short-term (1-2 years), mid-term (3-5 years), and long-term (6-10 years)

01 Environmental Part

As industrialization accelerates, issues such as climate change, resource depletion, and loss of biodiversity have become increasingly severe, posing serious threats to our shared future. Environmental issues are not only matters of science and policy but also central to everyone's quality of life and the well-being of future generations. CVTE fully recognizes that environmental protection is not only a manifestation of corporate social responsibility, but also an essential pathway to achieving sustainable development. In the environmental part, we will share the Company's practices and achievements in energy conservation and emission reduction, resource management, ecological protection, green products, and the promotion of a circular economy, demonstrating our commitment and actions toward a greener future.



Promoting Green Operation

CVTE upholds the philosophy of resource conservation and environmental friendliness, continuously enhancing its management of energy and water resources, strictly controlling pollutant emissions, and actively fostering green office environments. Through concrete actions, we are committed to protecting the natural ecosystem. During the reporting period, the Company did not incur any administrative penalties or criminal liabilities related to environmental issues from ecological or environmental authorities.

Environmental Management System

The Company strictly adheres to laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Environmental Impact Assessment, as well as industry environmental standards. We consistently promote the identification of key environmental factors and environmental risk assessments during our operations, continuously strengthening the scientific soundness and effectiveness of our environmental management system. As of the end of the reporting period, the Company's core subsidiaries, including Shirui Electronics, Shikun Electronics, Shizhen Electronic, and Shiyuan Ruichuang, have all been certified under the ISO 14001:2015 Environmental Management System, covering the Company's main office locations.

To effectively respond to sudden environmental incidents and mitigate their negative impacts, we have established mechanisms for environmental incident risk assessment, monitoring, and prevention in accordance with relevant laws and regulations such as the Emergency Response Law of the People's Republic of China. We regularly conduct emergency drills for environmental incidents to standardize and improve emergency response and corrective measures. EHS engineers are responsible for environmental management tasks across business units and functional departments, as well as identifying and assessing environmental incident risks.



ISO 14001:2015 Environmental Management System Certification

Energy Management

Adhering to the philosophy of "Enhancing energy utilization efficiency and ensuring rational use of renewable resources", we strictly follow the laws and regulations such as the Energy Conservation Law of the People's Republic of China and has developed internal guidelines like the Resource and Energy Management Specification. An energy conservation leadership team, headed by the general manager, has been established to unify the Company's energy-saving efforts. The Company continuously standardizes energy management, actively practices green office initiatives and low-carbon environmental protection, and adopts diverse energy-saving technologies and measures to enhance energy efficiency. The goal is to fully promote the Company's green and low-carbon transformation. As of the end of the reporting period, the Company's subsidiaries, such as QSTECH and Shiyuan Ruichuang, have obtained ISO 50001 energy management system certification.

CVTE's Energy Consumption from 2022 to 2024 ⁵				
Energy consumption metrics	Unit	2022	2023	2024
Direct energy consumption	Tons of standard coal	455.25	1,013.52	620.20
	kWh	3,704,216.82	8,246,741.34	5,046,353.89
Indirect energy consumption	Tons of standard coal	3,371.00	4,481.31	8,647.16
	kWh	27,428,804.32	36,463,062.70	70,359,335.58
Comprehensive energy consumption	Tons of standard coal	3,826.25	5,494.83	9,267.36
	kWh	31,133,021.14	44,709,804.04	75,405,689.47
Comprehensive energy consumption intensity	Tons of standard coal/RMB ten thousand of revenue	0.0018	0.0027	0.0041
	kWh/RMB ten thousand of revenue	14.83	22.16	33.66

Empowered by technological upgrades empower, to enhance energy efficiency

The Company continuously explores ways to enhance energy efficiency through advanced technology and management. By formulating rational operational strategies, we reduce energy consumption and greenhouse gas emissions during park operations and manufacturing processes, thereby lowering operational costs and boosting both economic and social benefits.

Peak-valley electricity price storage strategy

The Company actively implements a peak-valley electricity price storage strategy. We deploy energy storage equipment utilizing distributed storage technology integrated with lithium iron phosphate batteries using PACK liquid cooling technology. They store energy during off-peak hours when grid load is low and discharge during peak periods. Reducing electricity costs while alleviating the supply pressure on the grid during peak hours, it provides strong support for the efficient integration of new energy resources and the stable operation of the power grid. This is a proactive measure in response to national policies and a significant step toward energy transition. The Company has now implemented the peak-valley electricity price storage strategy in the First and Fourth Industrial Parks in Guangzhou, achieving over 410,000 kWh of stored electricity in 2024.

Online automatic aging system: A new energy-saving initiative in intelligent manufacturing

High energy consumption remains a common issue in intelligent manufacturing plants, mainly in automated production lines, environmental control systems, and data centers. Intelligent energy efficiency optimization systems are urgently needed to facilitate green transition. In 2024, the Company actively introduced an advanced online automatic aging system in its intelligent manufacturing plants, which features energy recovery capabilities with an energy recovery rate of up to 60%. Currently, the Company has deployed multiple automatic aging systems on the production lines in its intelligent manufacturing plant. When operating at full capacity, these systems can save up to 1,260 kWh of electricity per day.

Centralized control system aids in energy conservation and consumption reduction

In terms of park operations, the Company leverages its in-house IT capabilities to independently develop an energy consumption centralized control system. Through intelligent technologies, it centrally controls lighting, air conditioning, digital signage, and other equipment across all industrial parks, with scheduled on/off settings to precisely manage energy consumption, effectively reducing operational costs.

⁵Calculated using the conversion factors from the General Rules for Calculation of the Comprehensive Energy Consumption issued by the State Administration for Market Regulation of China

Note: The Fifth Industrial Park Intelligent Manufacturing Base project of the Company officially commenced operations during the reporting period. As a comprehensive park that integrates research and development, manufacturing, and sales, the Fifth Industrial Park requires significantly higher indirect energy consumption, such as electricity, to support its intelligent manufacturing operations. Its operational characteristics differ markedly from those of other campuses that serve purely as office spaces. As a result, indirect energy consumption during the reporting period has seen a substantial change compared to previous years.

Clean energy drives the energy transition

Clean energy is a key energy form of sustainable development and an important direction for future energy structure optimization. The Company is continuously promoting the use of clean energy by converting solar power into electricity through photovoltaic systems, gradually reducing reliance on traditional energy sources and driving the energy transition. In 2024, the Company's photovoltaic power generation systems have covered the Fifth Industrial Park in Guangzhou, as well as the Xi'an and Hefei Industrial Parks, achieving a total electricity generation of 679,300 kWh. This represents rapid year-over-year growth and significant progress in optimizing the energy mix. In the future, we will continue to increase investment in clean energy, accelerate the development of a low-carbon and environmentally friendly energy utilization system, and contribute to global energy transition and environmental protection.



Water Resource Management

The Company adheres to the scientific management principle of "demand-based supply and scientific water use", integrating the ration utilization of water resources throughout the entire daily production and operation process. To effectively strengthen water conservation management, we have established a Water Conservation Leadership Team led by the General Manager, responsible for overseeing the Company's water-saving efforts and ensuring the sustainable use of water resources.

The Company's water supply is reliably sourced from the municipal water system, so there is no issue of water shortage. Water use in park operations mainly involves landscaping, cafeteria, data center operations, and air conditioning systems. In 2024, the Company's total water consumption was 458,598.52 tons, showing an increase compared to 2023. The main reason for the rise is the expansion of the Company's operational building area.

To improve water use efficiency, the Company has implemented various water-saving measures and actively developed and utilized non-conventional water sources. For example, rainwater harvesting systems have been built to collect and treat rainwater for landscape irrigation, reducing reliance on traditional water sources and achieving diversified water supply. In 2024, the Company's Fifth Industrial Park collected approximately 341 tons of rainwater throughout the year using a rainwater harvesting system, providing vital support for the park's greenery.

In addition, the Company actively promotes water-saving technologies and equipment, such as water-saving fixtures and smart irrigation systems, to further optimize the efficiency of water resource use. In the future, the Company will continue to increase investment in water conservation and keep exploring innovative water-saving technologies.

CVTE Water Usage from 2022 to 2024				
Water use indicator	Unit	2022	2023	2024
Water consumption	Ton	407,845.84	396,293.00	458,598.52
Water consumption intensity	Ton/RMB ten thousand yuan of revenue	0.1943	0.1965	0.2047

Pollution Prevention and Control and Ecosystem Protection

The Company strictly complies with relevant environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and the Law of the People's Republic of China on the Prevention and Control of Water Pollution. Based on the applicable conditions of its operational sites, the Company has established internal systems including the Three Wastes Management System, Chemical Management Specification, and Environmental Safety Monitoring and Measurement Procedure. We continuously enhance the standardized management of waste and emissions for prevention and control of environmental pollution and actively engage in biodiversity conservation efforts such as tree planting.

Solid waste management

The Company implements comprehensive measures for waste management, including pollution prevention and control, and properly handle the collection, storage, transfer, disposal, and emergency response of wastes, to minimize environmental impact.

General solid waste is classified and handed over to qualified third-party recyclers for disposal; household waste is regularly collected by the local sanitation department. For industrial hazardous waste, the Company strictly complies with relevant solid waste management regulations, regularly reporting waste transfers on the Guangdong Solid Waste Management Information Platform, and entrusting licensed third-party organizations with compliant hazardous waste disposal.

CVTE 2024 Waste Emissions		
Indicator	Unit	2024
Total amount of general solid waste - Disposal method: Recycling	Ton	1,795.73
Total amount of hazardous waste Disposal method: recycling, incineration	Ton	17.65

In 2024, the Company set and achieved a goal for solid waste management: all waste has been disposed of as per regulatory requirements, with a disposal compliance rate of 100%.

Wastewater management

The Company's wastewater mainly consists of domestic sewage from the park and a small volume of industrial wastewater. Domestic sewage is pretreated in a septic tank and meets standards before being discharged into the municipal sewer system. Industrial wastewater is entrusted to licensed hazardous waste disposal companies for proper treatment, ensuring safety and compliance throughout the entire wastewater management process. All major operational sites of the Company hold a valid Permit for Urban Sewage to be Discharged into the Drainage Pipe Network.



CVTE 2024 Wastewater Discharge		
Indicator	Unit	2024
Domestic sewage	Ton	449,847.00
Industrial wastewater	Ton	19.89

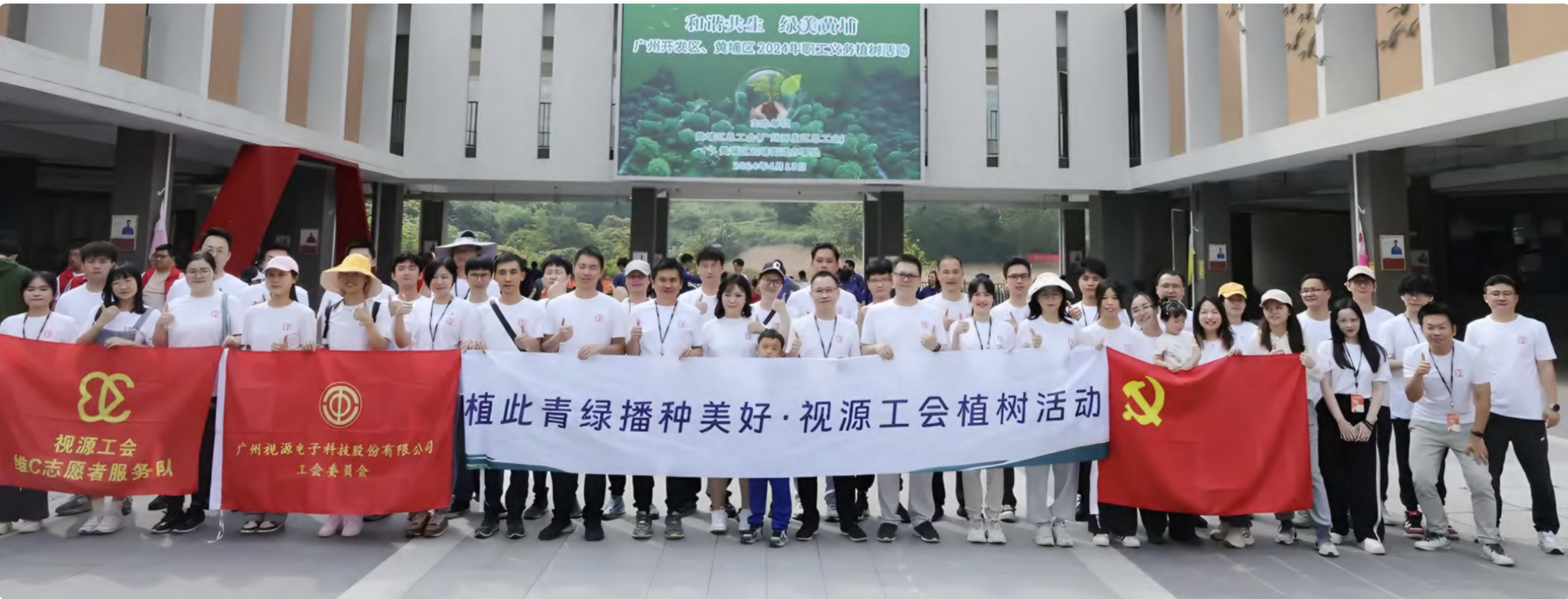
Waste gas management

The Company strictly adheres to the standards for waste gas management, controlling the emissions from the entire park. Through rigorous waste gas treatment processes, it ensures that the gases are purified before being released, preventing air pollution. The waste gases generated during company operations mainly come from park operations, the combustion of fossil fuels in daily official vehicles producing sulfur oxides (SOx) and nitrogen oxides (NOx), as well as volatile organic compounds (VOCs) emitted during the manufacturing processes at the Fifth Industrial Park’s Intelligent Manufacturing Plant. In 2024, the Company added a Regenerative Catalytic Oxidizer (RCO) waste gas treatment system to the Fifth Industrial Park’s Intelligent Manufacturing Plant, which is capable of efficiently decomposing hazardous substances in organic waste gases at lower temperatures, increasing the organic waste gas treatment capacity to 95,000 m³ per hour.

CVTE 2024 Waste Gas Emissions		
Indicator	Unit	2024
VOCs	KG	96.40
NOx	KG	330.99
SOx	KG	2.65

Biodiversity protection

To achieve harmonious coexistence with natural ecosystems, the Company actively identifies and assesses the potential impacts of its operations on the environment, and is committed to minimizing these impacts. Currently, none of the Company's industrial parks are located in biodiversity-sensitive areas, and there have been no incidents during operations that damage the surrounding ecological environment or biodiversity. The Company commits to avoiding or minimizing damage to forest resources and biodiversity, doing everything possible to protect the integrity and stability of the natural ecosystem. The Company implements the "right tree for the right place" planting strategy, scientifically selecting tree species suited to the local environment to actively add greenery and color to our ecological homeland. In 2024, the Company planted a total of 320 trees and added green ground cover plants covering an area of 3,774 m², continuously improving the ecological environment of the park. In the future, we will continue to increase investment in biodiversity protection, expand green spaces, and improve ecological quality, contributing to the creation of a beautiful home where humans and nature coexist in harmony.



Tree Planting Activity 2024

Response to Climate Change

In recent years, climate-related issues have become increasingly prominent. The frequent occurrence of extreme weather events and the complex and volatile macroeconomic environment pose potential impacts on our business operations. Climate change has become one of the most urgent global challenges. CVTE has established a robust climate governance structure, refined its climate strategies, and strengthened climate risk management. In parallel, we have conducted comprehensive greenhouse gas (GHG) inventories and assessments to accurately identify and monitor our impact on climate change, taking proactive steps to respond to this global challenge.

Climate Governance

The Company has established a climate governance structure led by the Board of Directors as the highest authority, integrating climate issues into the overall ESG governance system. It promotes top-down supervision and management of climate change issues and has set up management mechanisms for climate-related matters at all levels. For details, please refer to the "ESG Governance" section.

Risk and Opportunity Management

Under the guidance of the TCFD framework, we identify and assess the impacts of climate change risks and opportunities over the short term (1-2 years), mid-term (3-5 years), and long term (6-10 years). We also refer to climate scenarios presented in IPCC assessment reports to incorporate uncertainties such as future climate pattern changes, policy shifts, and business development through scenario analysis. Additionally, we evaluate our value chain's adaptability to different climate scenarios, the impact of climate-related risks, and the potential opportunities for transitioning to a low-carbon future.

At the same time, to further optimize resource allocation and enhance the efficiency of managing climate change risks and opportunities, we rank the identified risks and opportunities based on factors such as likelihood, impact, and time. This helps us determine the priority of relevant mitigation and response strategies.

List of Climate Change Risks and Response Measures						
Risk category		Risk description and potential impact	Financial impact magnitude	Time dimension	Countermeasures	
Physical risks	Acute risks	<ul style="list-style-type: none">The Company's main offices are located in Guangdong Province, along the southern coast of China. Every summer, it is susceptible to extreme weather events such as typhoons and heavy rainfall. The increasing frequency and severity of these events, including typhoons and floods, could lead to disruptions in supply and production, potentially affecting the stable delivery of products and services.	Medium	Short-term	<ul style="list-style-type: none">Plan multiple transportation methods and develop and optimize transportation plans in advance based on weather alertsDevelop emergency response plans, including a specialized plan for extreme weather such as typhoons and heavy rain, define specific emergency preparedness and response procedures, and conduct regular drills and training for extreme weatherDevelop an alternative material mechanism, a spot supply mechanism, and an inter-factory material transfer mechanism to ensure material inventory reserves	
	Chronic risks	<ul style="list-style-type: none">The ongoing rise in temperature has led the Company to implement additional measures such as ventilation and cooling measures at its facilities, resulting in increased energy consumption and higher operational costsProlonged high temperatures increase the incidence of heatstroke and other heat-related illnesses among employees, which can lead to a decline in productivity	Small	Long-term	<ul style="list-style-type: none">In architectural design, incorporate natural ventilation, install shading devices, and reduce reliance on artificial coolingImplement an Energy Management System (EMS) to monitor and optimize energy use in real-time, ensuring efficient energy utilizationInstall solar panels at operational sites to harness renewable energy for powering cooling and ventilation systems, reducing reliance on traditional energy sourcesRegularly conduct high-temperature protection training to raise employees' awareness and response skills for hot weather, reasonably adjust working hours, and perform regular health check-ups for employees	
Transition risks	Regulatory risks	<ul style="list-style-type: none">As China's dual-carbon strategy is gradually implemented, various regions have outlined clear development plans for low-carbon energy transition and energy conservation and consumption reduction. This may require additional investments to meet compliance requirementsCurrently, the carbon trading market is gradually expanding. As business develops and government allocation methods for carbon quotas are adjusted, the Company may be included in the carbon trading market in the future, potentially requiring the purchase of quotas, which could lead to increased operational costs	Medium	Mid-term and long-term	<ul style="list-style-type: none">Regularly monitor emerging regulations and continuously track carbon emissions and future trend forecasts to promptly adjust carbon management strategies	
	Technical risks	<ul style="list-style-type: none">Over-investing or under-investing in low-carbon products may lead to risks of financial losses or missed opportunities; the development of new low-carbon technologies or products may face the risk of failure, resulting in wasted resources	Medium	Mid-term and long-term	<ul style="list-style-type: none">Increase investment in the research and development of energy-saving and low-carbon technologies to develop more efficient and environmentally friendly productsAssess different low-emission technologies and select the one that best fits the Company's products and market needsConduct a detailed cost-benefit analysis to assess the relationship between transition costs and expected benefitsDevelop a phased transition plan to gradually promote the application of low-emission technologies	
	Market risks	<ul style="list-style-type: none">Changes in consumer demand for environmentally friendly products could impact a company's market share. If the Company fails to adapt promptly, it may face risks of decreased competitiveness and loss of market share	Medium	Long-term	<ul style="list-style-type: none">Regularly conduct market research to understand customer needs and market trends, and adjust product strategies promptlyIncrease investment in the research and development of energy-saving and low-carbon technologies to develop more efficient and environmentally-friendly productsStrengthen branding, and promote the Company's environmental protection concept and product advantages to boost brand awareness and customer loyalty. Showcase the Company's proactive efforts and achievements in addressing climate change through industry exhibitions, white papers, and other initiatives.	
	Reputation risks	<ul style="list-style-type: none">Rising concern among stakeholders about environmentally-friendly products or increased negative feedback on existing products, along with a tarnished reputation, could impact stock prices	Small	Long-term	<ul style="list-style-type: none">Actively respond to stakeholders' expectations for environmentally-friendly products and reduce the environmental impact of the products	

List of Opportunities and Response Measures for Climate Change				
Opportunity category	Opportunity description and potential impact	Financial impact magnitude	Time dimension	Countermeasures
Products and services	<ul style="list-style-type: none">Under the trend of sustainable development, the public's preference for green products and services is gradually increasing. The Company can develop green, low-carbon products to expand its market share	Medium	Long-term	<ul style="list-style-type: none">Develop low-power, highly durable electronic products to meet consumers' demand for environmentally-friendly products and enhance competitivenessIncrease investment in business areas with direct green and environmentally friendly attributes, such as energy storage and other power electronics, LED displays, and the recycling of electronic products, and other energy transition-related products and solutions, and explore new marketsConsider the recyclability of materials during the product design phase and promote the use of recyclable materials
Resource efficiency	<ul style="list-style-type: none">Continuously promoting the concept of green operations through energy-saving technologies, purchasing green electricity, self-generation of green electricity, resource recycling, etc. to improve resource utilization can reduce resource consumption and waste generation during production, and lower operational costs.	Small	Mid-term	<ul style="list-style-type: none">Adopt advanced manufacturing techniques and processes to improve production efficiency and reduce resource wasteInstall energy-saving equipment and renewable energy systems (such as solar photovoltaic panels) to reduce reliance on traditional energy sources

Based on the identified and assessed climate change risks and opportunities, we have taken proactive response measures to explore and promote the circular economy. Our current operational strategy and management measures demonstrate strong adaptability to climate-related issues, enabling us to effectively withstand associated risks.

Climate risk management

To effectively mitigate the risks associated with climate change, we have established a management process for responding to climate change to thoroughly assess potential impacts of climate change. We regularly monitor and assess the implementation of risk management measures, identify issues promptly and make adjustments as needed. We continuously enhance our ability to prevent and control climate change-related risks.

Climate Risk Management Process	
Risk identification	<ul style="list-style-type: none">We identify risks from multiple dimensions, including physical and transition risks. Using professional methodologies, we have identified direct damage from extreme weather events to company facilities and equipment, supply chains, and operations, challenges arising from policy and regulatory changes that drive the transition to a low-carbon economy, such as technological upgrades, cost increases, and shifts in market demand, and potential threats such as legal liabilities or reputational damage due to carbon emissions, environmental impacts and other issues. We have developed a structured identification process and produce a risk identification checklist.
Risk assessment	<ul style="list-style-type: none">Based on the risk identification results, the assessment is conducted using a combination of qualitative and quantitative methods, focusing on the likelihood of risk occurrence, the potential impact, and the effectiveness of current control measures. Using professional statistical models and data analysis software, we analyze quantifiable risks to provide comprehensive evidence for risk-based decision making.
Risk response	<ul style="list-style-type: none">We have developed emergency response plans for critical risks. By establishing a risk response process that includes early warning (pre-event), response (during the event), and recovery (post-event), we can ensure timely and effective control of losses when risks occur.

Greenhouse Gas Emissions Management

Following the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol) and ISO 14064-1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. , the Company employed the operational control approach to define the organizational boundaries for the 2024 greenhouse gas inventory, conducted a comprehensive greenhouse gas emissions inventory, and commissioned an independent third-party verification organization to perform an audit to ensure the scientificity and accuracy of the data accounting.

Types of greenhouse gases

According to the GHG Protocol and based on the latest IPCC assessment report, the greenhouse gases included in this inventory are: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

Greenhouse gas emission scopes

Scope 1: Direct greenhouse gas emissions

Direct greenhouse gas emissions include fixed-source combustion emissions, moving-source combustion emissions, and fugitive emissions within the organization's boundaries. Within the Company's boundaries, fixed-source combustion emissions come from natural gas use and diesel generator emissions; moving-source combustion emissions include gasoline and diesel use by company-owned vehicles; fugitive emissions include emissions from the use of CO2 fire extinguishers, air conditioning refrigerants, and septic tanks.

Scope 2: Indirect greenhouse gas emissions from energy input

The purchased energy consumed within the Company's operational areas represents indirect emissions of energy input, primarily including purchased electricity.

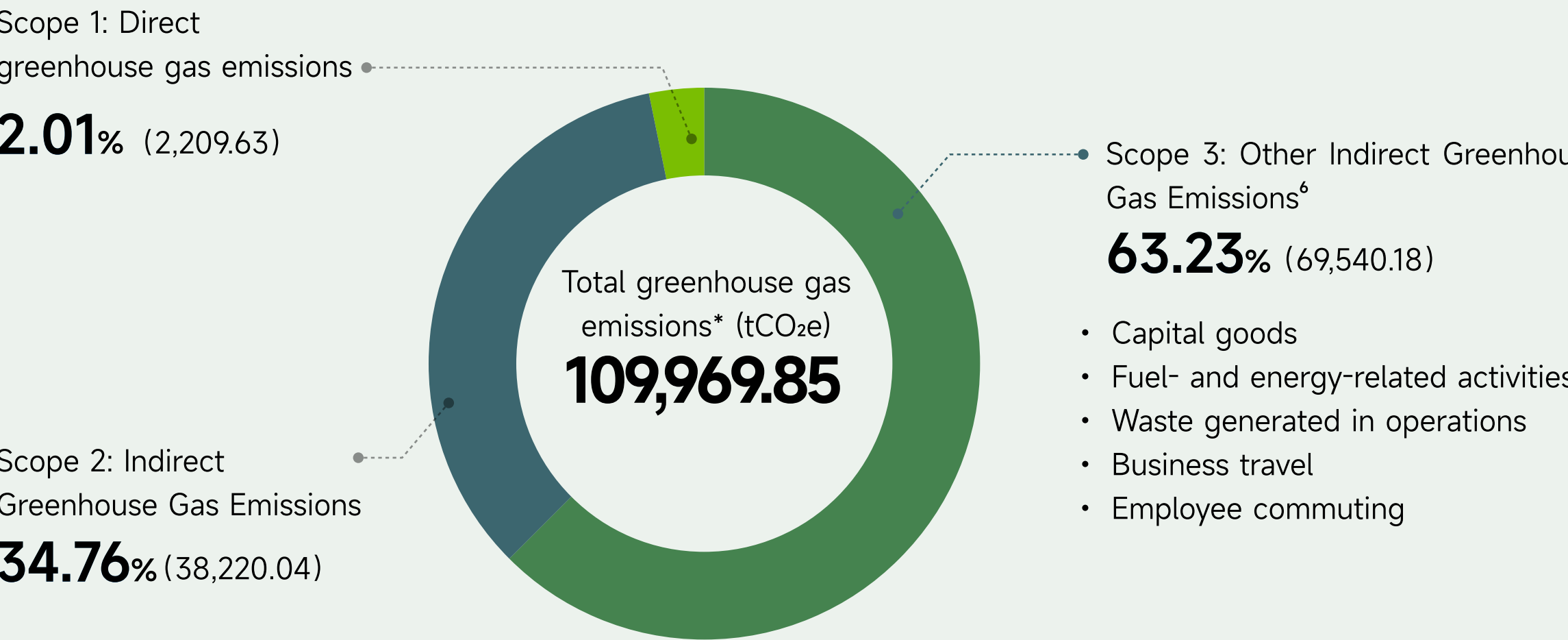
Scope 3: Other indirect greenhouse gas emissions

Emissions in Scope 3 represent the results from company activities but do not originate from sources owned or controlled by the Company. Examples include the extracted raw materials and the raw materials purchased for production, the fuels purchased for transportation, and the use of sold products and services. For this reporting year, the Company identified and accounted for 10 categories of Scope 3 emissions. The disclosed categories in the Scope 3 include: Category 2 Capital Goods, Category 3 Fuel- and Energy-Related Activities, Category 5 Waste Generated in Operations, Category 6 Business Travel, and Category 7 Employee Commuting.

Management objectives

In the future, the Company will further strengthen its carbon emission management efforts, continuously measure and transparently disclose its operational carbon emissions, and continually improve the scientificity and effectiveness of its carbon management. Building on this, the Company will develop reasonable and achievable quantitative carbon emission targets based on its operational characteristics and development strategy, supporting the achievement of low-carbon and sustainable growth.

CVTE 2024 Greenhouse Gas Emissions (Location-Based Method)



Greenhouse gas emission intensity (Scope 1 + Scope 2): 0.0180 tCO₂e /RMB ten thousand of revenue

⁶The disclosed categories in the Scope 3 include: Category 2 Capital Goods, Category 3 Fuel- and Energy-Related Activities, Category 5 Waste Generated in Operations, Category 6 Business Travel, and Category 7 Employee Commuting

Creating Green Products

CVTE is committed to developing environmentally and socially beneficial product solutions, striving to reduce the carbon footprint throughout the entire product lifecycle. At the design and manufacturing stages, the Company selects eco-friendly materials, strictly controls the content of hazardous substances in products, promotes material recycling, and improves resource use efficiency. Meanwhile, through innovative design, the Company enhances product energy efficiency, reduces energy consumption during product use, and alleviates environmental impact.

Lightweight Product Design

Under the guidance of sustainable product design principles, in 2024, we achieved breakthroughs in the lightweighting of core products such as intelligent interactive flat panels through process optimization, component integration, and materials science application. We continue to develop environmentally-friendly products that combine high performance with low carbon footprint, exploring new possibilities in product structure and materials.

Structural thinning

Backplane thinning: Utilizing high-strength composite materials and structural simulation design, the backplanes of the intelligent interactive flat panels have been made thinner, effectively reducing material consumption.

Optical system lightweighting: A novel optical design maintains high light transmittance while optimizing the thickness and weight of the diffuser plate in interactive flat panels. Ultra-narrow LED light strip PCBs are also innovatively adopted.

Functional component refactoring: While ensuring load-bearing strength, we apply thin wall-mount bars to reduce the amount of steel used in the bars.

Integrated design of component

By eliminating redundant structural designs and integrating functions, such as optimizing the structure of wall mount columns and handle components, and removing the rubber frames from commercial display modules, the Company reduces the use of materials such as steel and plastics.

Material substitution and optimization

By replacing aluminum profiles with sheet metal for the frame, and changing secondary screens from aluminum profiles to plastic, the Company reduces anodizing and CNC machining processes, thereby lowering energy consumption in product manufacturing and VOC emissions.

Environmentally-Friendly Packaging Materials

Packaging is a significant environmental factor in the development of environmentally-friendly products. We have established the CVTE Packaging Structure Design Specification, which specifies the design requirements for product packaging and standards for selecting packaging materials. These ensure that packaging materials comply with relevant laws and regulations, as well as national and industry recommended standards, and that products meet environmental testing requirements. Our goal is to build a green packaging system centered on “reduction - recycling - regeneration”. In 2024, we implemented multiple measures to reduce packaging material usage.

Innovation in all-paper cushioning materials

In the packaging cushioning materials sector, traditional EPE plastic foam materials have been fully replaced with biodegradable pulp molding materials to achieve all-paper packaging. This has already been implemented in some mainstream models, and the Company plans to expand the all-paper packaging transition to more core product lines.

Reduction of packaging volume

By refining packaging structure design, the overall packaging volume has been compressed, enabling optimal use of three-dimensional space. The improved packaging solution has increased container loading efficiency by approximately 20%, effectively reducing carbon intensity during transportation.

Increased use of recyclable materials in packaging

The Company has established strict environmental access criteria for packaging material selection, prioritizing the use of reusable materials such as wooden crates, cardboard boxes, and flight cases.

Product Energy Efficiency

Electronic products are facing increasing demands for green and low-carbon energy efficiency. The Company has achieved improvements in product energy efficiency across the entire lifecycle through technological innovation, and built an energy-saving technology system that covers end-user products such as intelligent interactive flat panels and LED displays to promote the sustainable development of the industry while creating low-carbon value for users.

Energy efficiency transformation of intelligent interactive flat panels: From hardware restructuring to system optimization

Based on the Company's independently developed high-luminous-efficiency LED and high-gain membrane technology, by optimizing processes such as LED chip structure design and combining innovative multi-layer composite optical membrane solutions, along with simulation design and real-world testing, the intelligent interactive flat-panel products can significantly reduce power consumption while maintaining industry-leading brightness standards. Additionally, we are actively advancing the research and development of next-generation energy-saving technologies, including cutting-edge solutions like high-transparency OC glass. Our goal is to further enhance the overall energy efficiency of display systems and promote sustainable industry growth.

LED display system energy saving certification: From compliance to value creation

Currently, LED displays are rapidly evolving towards high luminous efficiency, long lifespan, and intelligent energy-saving capabilities. The Company has established a comprehensive energy-saving certification system covering its entire product lineup. Its QSTECH series products strictly adhere to the mandatory national energy efficiency standard GB 21520-2023 and the T/COEMA industry specifications. Through process optimization, the energy consumption of all LED display devices has been further reduced. At present, the Company's latest generation of LED all-in-one series products, driven by innovative power management technology and dynamic backlight adjustment algorithms, have all passed China Energy Label Level 1 certification. They are poised to be a new benchmark for green performance in large-scale commercial display devices.

Management of Hazardous Substances in Product Materials

The Company continuously improves its hazardous substance management system, establishes an environmental protection management team, and develops the CGPM Green Product Management System. It strictly controls potentially hazardous substances in products to ensure that the levels of hazardous substances in raw materials, manufacturing processes, and finished products comply with legal regulations, meeting increasingly stringent environmental protection standards.



Hazardous substance control system

CVTE strictly complies with the laws and regulations of China and the European Union such as the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH Regulation), EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS Directive), and EU Directive on Waste Electrical and Electronic Equipment (WEEE), as well as customer requirements regarding the limitation of hazardous substances, continuously revises internal policies like the Hazardous Substances Management Standard, and incorporates restrictions on relevant hazardous chemicals. Additionally, it integrates industry standards and the latest legal and regulatory requirements, ensuring that the most current environmental and health standards are integrated into product design and development, material procurement, manufacturing, and shipping processes to strengthen hazardous substance control across the entire product lifecycle.

As of the end of 2024, the Company had specified the restriction of multiple hazardous substances, including tetrabromobisphenol A, hexabromocyclododecane, chlorinated paraffins, and polychlorinated phenols and their derivatives (PCP). The Company has also specified 69 restricted substances in products, 18 restricted substances in packaging materials, and 12 declared substances.

The Company continues to promote the establishment of hazardous chemical substances management systems across its subsidiaries and production lines, ensuring effective control of hazardous substances. During the reporting period, several key subsidiaries of the Company, including Shirui Electronics and Shizhen Electronic, obtained QC 080000 certification for the hazardous substance process management system. Multiple products also passed testing and verification under EU standards such as RoHS and REACH.

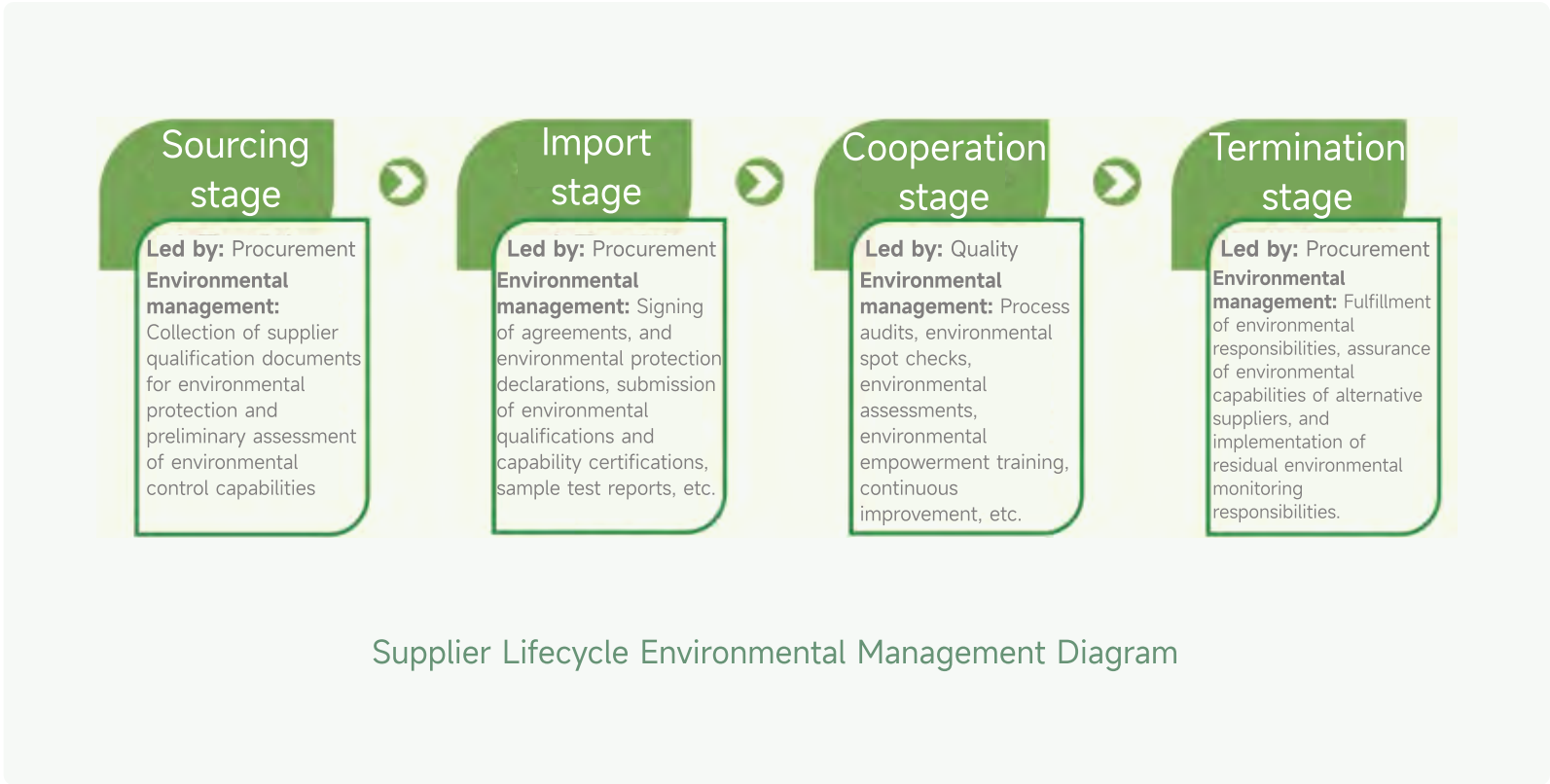
Substitution and reduction of hazardous substances

The Company is steadily advancing toward its Hazardous Substance Free (HSF) goal. A hazardous substance reduction plan has been developed to actively identify substitute materials, aiming to minimize and eliminate the use of hazardous substances. According to the IEC 61249-2-21:2003 standard, we advocate the use of halogen-free materials (using only chlorine and bromine compounds) and has reduced reliance on halogen-based flame retardants in our products. Additionally, all currently marketed products of the Company meet lead-free compliance requirements.

Supplier management for hazardous substances

Efficient management of the use of hazardous substances by suppliers is a crucial part of the Company's efforts to achieve HSF goals. To ensure that suppliers effectively manage hazardous substances, the Company has developed and implemented the Supplier Lifecycle Environmental Management Specification, ensuring that all environmental management requirements are met throughout the supplier's lifecycle. The Company requires that all parts supplied by suppliers, including materials, components, and assemblies, must meet the Company's standards for hazardous chemicals, and has signed agreements with all suppliers incorporating quality assurance and hazardous substance management clauses, clarifying hazardous substance management requirements and reinforcing the suppliers' responsibilities.

At the sourcing stage, we assign environmental engineers to conduct a comprehensive inspection and assessment of the supplier's hazardous substance management measures, ensuring that controls are effectively implemented during the procurement process. In supplier lifecycle management, we clearly define environmental protection requirements as a red line for CVTE's quality management. Suppliers who do not meet environmental policies will not be approved for cooperation. During the cooperation, if a supplier is found to be non-compliant with environmental protection requirements and refuses to cooperate with corrective actions, their qualification will be revoked and they will be blacklisted.



Power Electronics Business

Power electronics technology plays a key role in driving energy transition and intelligent development. Building on our technical expertise in component manufacturing, we have continued to increase investment in power electronics business. Centered around residential energy storage inverters, we uphold the vision of “Green Energy, Warm Living” and the mission of “Leading with Technology, Ensuring Quality, Making Electricity Use Worry-Free”, focusing on delivering high-efficiency, reliable, intelligent, and eco-friendly energy solutions.

Based on the differentiated demands for energy accessibility worldwide, we create a multi-tiered product system through scenario-based innovation. Targeting regions in Middle East, Asia, Africa, and other areas facing power shortages, we offer customers off-grid residential energy storage inverters ranging from 1.2KW to 12KW to help stabilize household electricity supply. For the high electricity price markets in Europe, we have developed off-grid and grid-tied inverters to achieve dual optimization of both energy and economic efficiency. In 2024, through Maximum Power Point Tracking (MPPT) algorithm optimization and MPPT technique iteration, the Company significantly improved the solar conversion efficiency of our residential energy storage inverter products. Additionally, by strengthening component selection and optimizing reliability design, we further reduced product defect rates and extended product lifespans, ensuring safe energy use for users with high-quality products.



Promoting the Circular Economy

The recycling and reuse of electronic products are crucial for promoting the development of a circular economy. We actively respond to national policies such as the Manufacturer Responsibility Extension System Implementation Plan, and incorporate environmental responsibility throughout the entire product lifecycle, from design to recycling and reuse. The main products our company sells are generally highly recyclable. During the design and development phase, we prioritize recyclability as a key factor to ensure maximum resource reuse at the end of the product's lifecycle.

Currently, the Company primarily focuses on recycling electronic products such as commercial display and IT devices. For repairable products, we restore their appearance and functionality through maintenance before reselling. For irreparable or scrapped products, we partner with environmentally certified companies to ensure compliant disposal and resource utilization. The subsidiary Shirong Information has obtained the qualification certificates for general solid waste treatment services, electronic data destruction services, and renewable resource recycling services. During the reporting period, it also completed the filing for renewable resources and the certification for reverse invoicing eligibility.

Recycling scope and channels

Our electronic product recycling services now cover all provinces in China, primarily serving enterprise clients. To meet the diverse needs of our users, we offer three flexible recycling channels:

Fixed-point recycling

Users can bring their old products to our multiple collection warehouses located across the country.

On-site recycling

According to customer needs, we offer on-site disassembly and recycling services, carried out by professional staff.

Mail-in recycling

For electronic products that are easy for users to disassemble or suitable for mailing (such as laptops, learning devices, etc.), users can complete the recycling process by mailing them back.



Self-established recycling and repair center

To improve product recycling efficiency and service quality, the Company has established its own specialized recycling and repair center. The center is staffed with a professional team, including personnel for collection, inspection, and maintenance, and is equipped with advanced monitoring tools to ensure precise and efficient product monitoring and maintenance processes. Through a standardized repair process, we aim to maximize the reuse value of products while ensuring a superior user experience.



Trade in old for new

To further promote green, low-carbon, and circular development, MAXHUB, a brand under our company, actively responds to the call for green consumption. Targeting the large conference market with vast replacement demand, we offer a trade-in service that accepts old devices regardless of brand, age, or condition (including malfunctioning equipment). Users can upgrade to MAXHUB's flagship products through our value-for-money trade-in program. During the promotional period, we offer a one-stop service that includes free disassembly and transportation, professional engineers on-site for installation and commissioning, and a device health check service, ensuring a worry-free green upgrade experience.

MAXHUB's recycling service not only helps businesses unlock the residual value of their IT devices through comprehensive processes such as residual value assessment, compliant disposal, and data security management, but also promotes the recycling of core components of old devices through standardized regeneration processes. This accelerates the widespread adoption of green intelligent meeting terminals, injecting industrial momentum into green transformation and circular economy development.



02 Social Part

In current wave of globalization and digitalization, social issues are becoming increasingly complex. From employee well-being to community development, from social equity to public welfare, every issue is tied to the shared destiny of humanity. Upholding the philosophy of "people-oriented", CVTE is dedicated to creating greater value for customers, employees, communities, and society at large through innovation and practice. In this Social Part, we will showcase the Company's proactive efforts in research and development, product quality management, customer responsibility fulfillment, employee care, and social contributions, conveying our vision and commitment for a better society.



Innovation-Driven Development

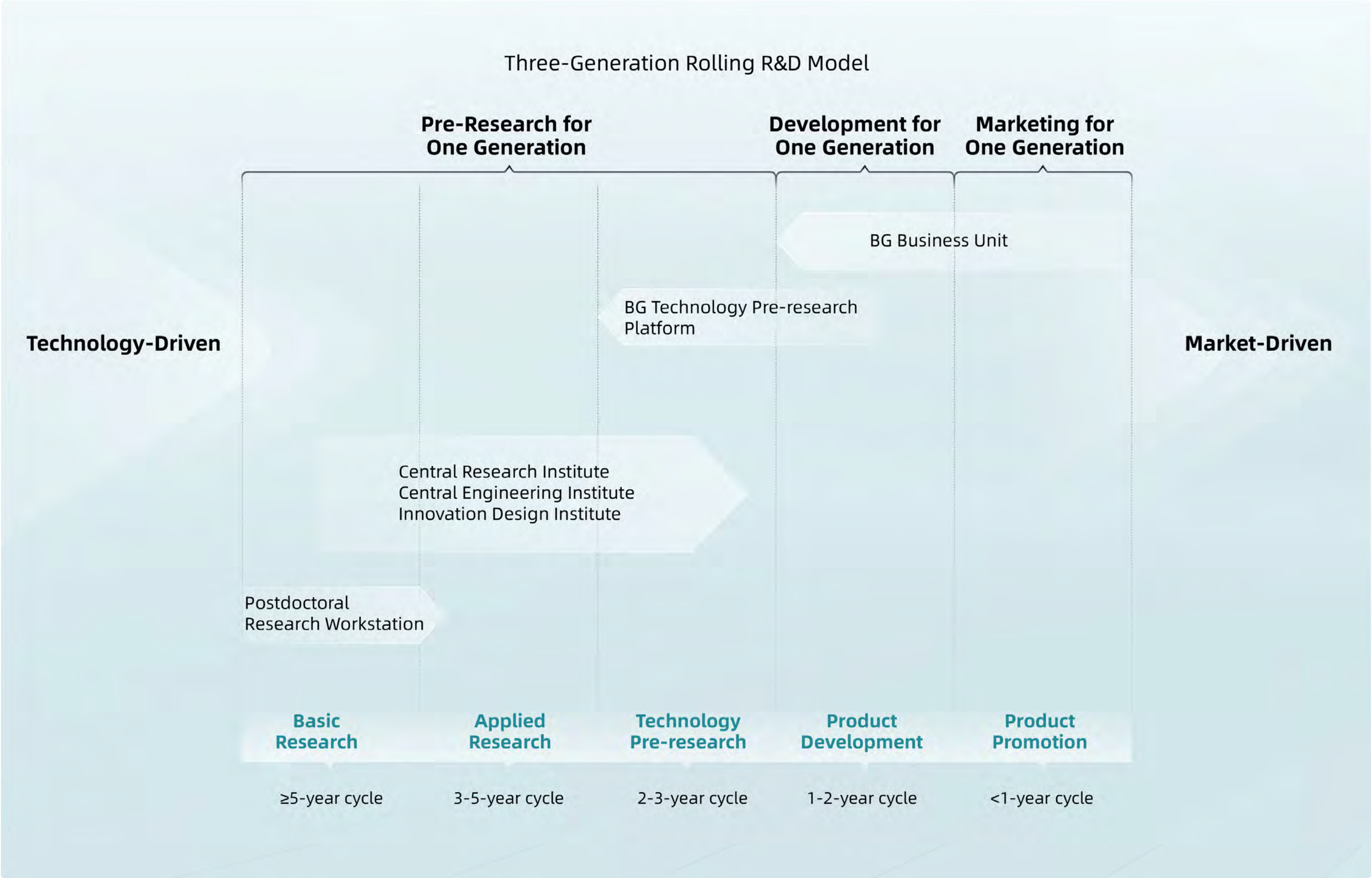
Innovation is an inexhaustible driving force behind sustainable growth for enterprises. As a technology company, we adhere to the development philosophy of "Taking science and technology as the guide and innovation as the driving force". Internally, we have established a Technology Committee chaired by the Chief Technology Officer (CTO), responsible for strategic planning of the Company's technological development roadmap. Focusing on core fields of technology, the Company has established specialized subcommittees for display, audio, video, connectivity, and intelligence. These subcommittees are responsible for mid-to-long-term planning and preliminary research in their respective fields, promoting cross-organizational collaboration and the transformation of results, thereby building a competitive edge in technology.

2024	As of the end of the reporting period			
RMB 1.54 billion	7.20%	6.88%	3,849	57.51%
Company's R&D investment	YOY Increase	Proportion of Revenue	Technical Personnel	Proportion of Total Workforce

R&D System Development

Guided by market demand and technological development trends, the Company has established a comprehensive innovation and research system to ensure precise implementation of research directions and forward-looking planning. Internally, the Company has established the "Three Institutes and One Workstation", including the Central Research Institute, Central Engineering Institute, Innovation Design Institute, and Postdoctoral Research Workstation, bringing together over a hundred domestic and international PhDs and senior experts. The Central Research Institute focuses on cutting-edge basic and applied research in areas such as multimodal large language models and visual computing. The Central Engineering Institute specializes in advanced engineering technologies including materials and optics. The Innovation Design Institute centers product innovation around user experience. The Postdoctoral Research Workstation serves as a training base for cultivating high-level talent and a platform for advancing frontier technological innovation in the industry.

In terms of R&D system construction, the Company has deeply integrated CMMI (Capability Maturity Model Integration) and DFSS (Design for Six Sigma) methodologies, combined with the IPD (Integrated Product Development) framework, to enable collaborative innovation cross business groups, and established a three-generation rolling R&D mechanism—"pre-researching one generation, developing one generation, and marketing one generation", creating a seamless innovation chain from basic research to product commercialization. The Company continues to advance its digital transformation by integrating cutting-edge technologies such as AI and big data into R&D management processes. It has established a centralized data platform to consolidate key R&D metrics, and built a monitoring and analysis system, enabling dynamic resource allocation and optimized project management. To ensure the efficient operation of the R&D and innovation system, the Company adopts a holistic planning, specialized development, and iterative evolution approach. It also regularly conducts technology roadmap and organizational efficiency assessments to continuously improve the R&D system.



R&D and Innovation Achievements

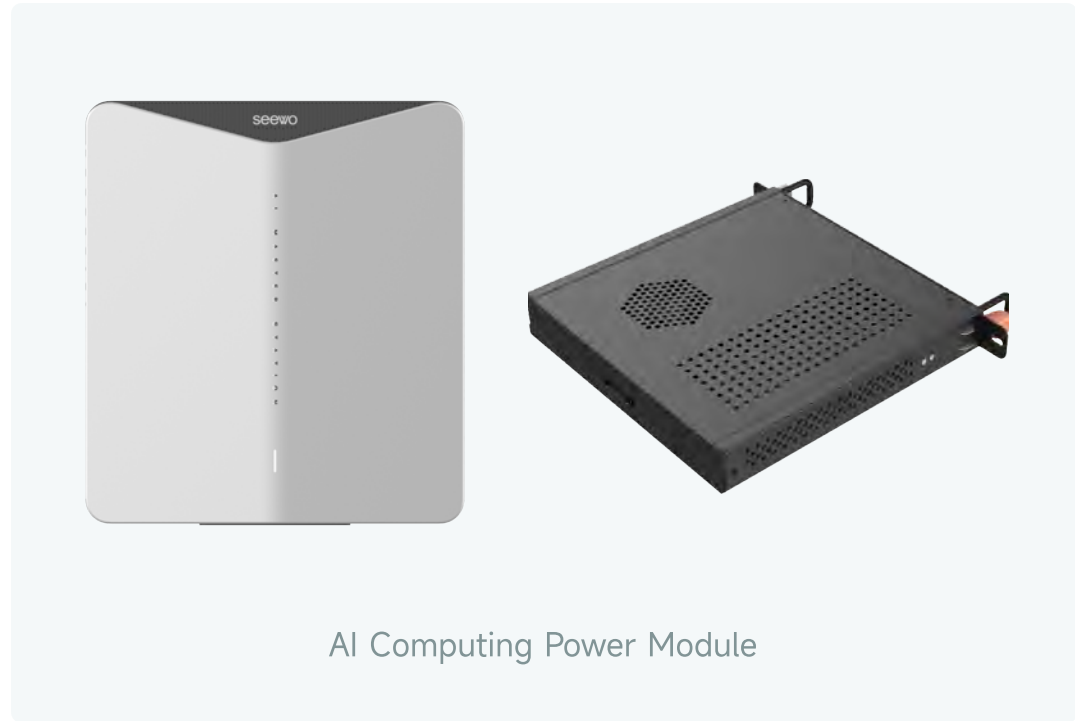
Focusing on the two core technological pillars, artificial intelligence and interactive display, the Company continued to explore relevant R&D fields in 2024 to lay a solid technological foundation for the development of innovative and high-quality products. Selected R&D achievements are outlined below:

Foundational model research and applications

Amid the current wave of digitalization, large language model (LLM) technology is becoming the driving force behind innovation and development across various industries. The Company has continued to increase its investment in artificial intelligence. In 2024, we successfully registered our "CVTE Large Language Model (Self-developed)", injecting innovative energy into the digital transformation of vertical sectors such as education and meetings. Through the application of LLM technology, we are focusing on the collaborative optimization of safety and efficiency, continually achieving breakthroughs through technological iterations.

Building a technological foundation centered on safety and inclusivity: edge inference technology

In the development of LLM technology, challenges such as data security and cost control arise. Edge inference has become a key technological approach to achieving "safe and controllable inclusive AI". To address real-world challenges such as potential privacy leaks, network delays, and service interruptions in smart terminal devices, we optimize localized deployment solutions using edge inference technology, significantly enhancing the real-time responsiveness and operational stability of smart terminals in scenarios like education and meetings. For example, in educational settings, edge LLM can ensure that teachers and students continue to use intelligent teaching services smoothly even in weak or disconnected network environments. This not only effectively addresses issues related to data privacy and network stability but also has the potential to provide technological support for the equitable distribution of educational resources, helping to achieve the goal of balanced allocation of high-quality resources outlined in China's Education Modernization 2035. To date, we have filed two core patents covering mixed-precision compression methods and multi-hardware collaborative inference optimization solutions.



AI Computing Power Module

Driving product and scenario innovation: Application of LLM technology in classroom observation systems

The deep integration of LLM technology in education is driving a transformation of the educational ecosystem. Our self-developed Seewo Teaching LLM is applied in classroom observation scenarios. Through features like Ai-driven lesson evaluation, it truly empowers frontline teaching with AI technology, driving an intelligent transformation of classroom observation and teaching assessment. To address issues in early AI-driven lesson evaluations, such as insufficient subject adaptation and limited coverage across educational stages, the seewo 7th-Generation device features an AIGC⁷-based lesson evaluation module that builds a nine-dimensional evaluation system. This system covers key areas like classroom rhythm analysis, knowledge point relevance assessment, and new curriculum standard alignment, enabling precise adaptation across different educational stages and subjects. Using natural language processing and multimodal data analysis, the system generates structured feedback reports and links to the seewo teaching resource library to provide personalized improvement suggestions.

By the end of 2024, the Seewo Classroom Intelligent Feedback System has been established in 19 key demonstration zones, covering over 2,000 schools and generating more than 150,000 AI-driven lesson evaluation reports. The value of LLM technology lies not only in automating report generation but also in reshaping the paradigm of teaching evaluation through closed-loop data, advancing education from "empiricism" to "evidence-based practice".



Seewo Classroom Intelligent Feedback System Interface

Improving internal R&D efficiency: Automated testing for TV UI

We found that in the current TV UI testing work, automated testing accounts for less than 10%. The main challenges are the high skill requirement for writing test cases, the time-consuming process (about a week per version), and poor reusability across different versions. To address this, we introduced LLM technology capabilities, which, utilizing visual localization and visual question answering, to enable us to automatically identify test targets, control operations, and detect interface anomalies. This significantly reduces reliance on manually written test cases. As a result, the automated TV UI testing accounts for over 80%, substantially reducing labor costs, boosting work efficiency, and enhancing product quality control efficiency.



TV Cloud Testing System - AI Module

Research and application of tactile interaction technology

In the field of tactile interaction, we focus on the core needs of users and enhance the human-computer interaction experience through technological innovation. We have developed several groundbreaking solutions for computing devices and intelligent interactive flat panel application scenarios, effectively addressing longstanding industry pain points and advancing the implementation and improvement of tactile perception and feedback functionalities.

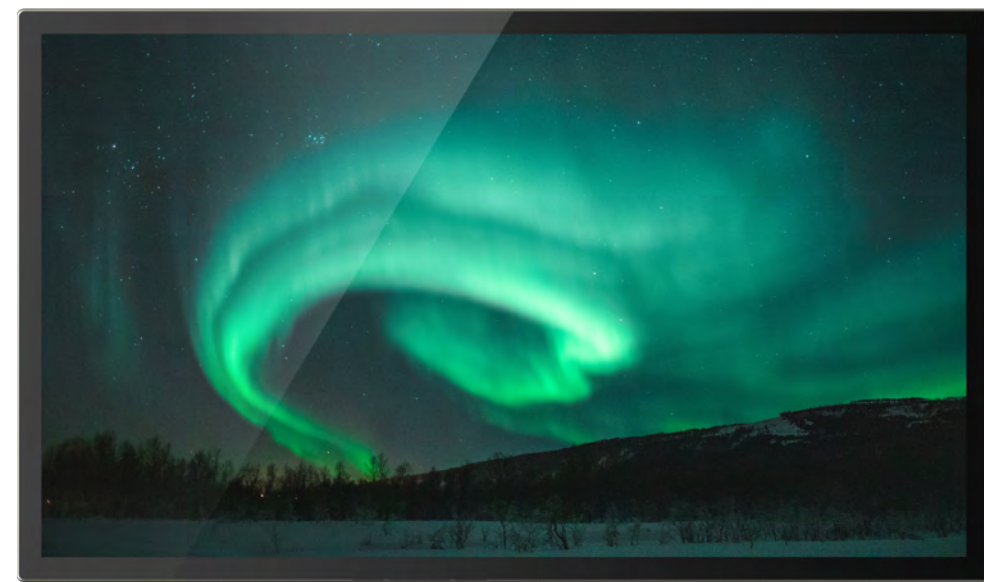
Full-area touchpad solution

Our innovatively developed all-area pressure-sensitive touchpad technology can be applied to laptops and other terminal products. In ultra-thin spaces, it uses a "pressure sensing + tactile feedback" technology to give users a realistic key travel feedback. This significantly improves the interaction experience of most mechanical touchpads on laptops, addressing issues such as inability to press the upper pad area, uneven pressure, dragging difficulties, and multi-finger operation errors. At the same time, it frees users from relying on a mouse, enhancing the portability of laptops. This technology will help the Company develop technically advanced and functionally differentiated products in the computing device space, setting a new standard in tactile experience.



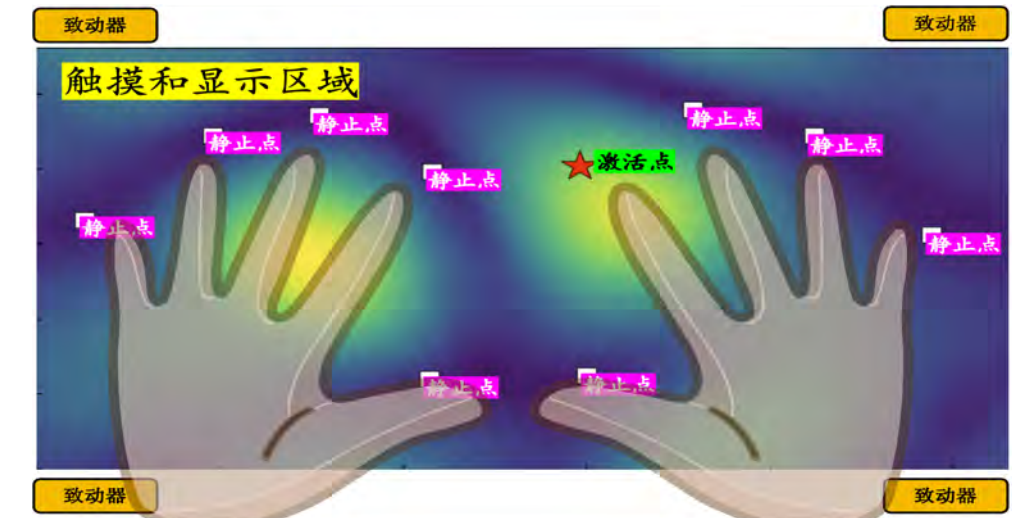
High-channel capacitive touch solution

As the demand for larger-size screens in intelligent terminal devices continues to grow, capacitive touch technology faces industrial challenges as it extends from small and medium sizes to larger displays. Traditional capacitive touch technology mainly uses 200 to 350 channel configurations, lacking applications with high-channel solutions. We partnered with leading chip companies in the industry to jointly design and develop the first high-channel capacitive touch solution, achieving the world's first mass-produced product with over 440 channels. This solution starts with chip design architecture and capacitor film material design, utilizing the Company's simulation technology platform to optimize parameter combinations. It combines high-channel control schemes to overcome bottlenecks such as signal interference, process adaptation, reliability, and performance stability. The goal is to develop a leading industry 3mm high-precision rigid passive pen solution that supports accuracy better than 1mm. This breakthrough in technology has introduced a new paradigm for the development of high-performance capacitive touch technology in the industry.



Multi-finger touch with localized vibration technology

We explored multi-finger touch with localized vibration technology from scratch. Using an array of actuators, it enables multi-touch on a 15.6-inch touchscreen while providing localized vibration feedback at any point. This technology is a pioneering innovation in the industry. In the future, it can be widely used in various touch interaction scenarios, such as virtual keyboards on touchscreens, allowing users not only to feel the edges of the keyboard but also to experience the keystroke depth while typing. Moreover, this technology is expected to improve the experience for visually impaired users when interacting with touchscreens, enabling barrier-free access to a rich variety of digital information and bringing transformative change to digital inclusion.



Instant pen-to-write interaction

In the context of the current homogenization of basic functions across intelligent terminal interaction screens, enhancing the immediacy and smoothness of user interaction experiences has become a key challenge. Mainstream market products require multi-level menu calls and setup operations (e.g. annotation feature wakeup) to enable handwriting functions. The complex operation process significantly hampers user efficiency. Based on user research, we integrated user feedback data with contextual analysis to analyze the use cases of intelligent interactive large screens and simplify the operational steps. Through collaboration between the interaction team and the engineering technology team, an innovative, industry-first "Instant Pen-to-Write Interaction" solution was developed, enabling real-time handwriting response across the entire interface. This innovative technology breaks through traditional interaction experiences, eliminating redundant multi-step operations during function calls. It synchronizes handwriting intentions with interaction actions in milliseconds, effectively reducing user cognitive load and operational effort, creating a natural, seamless, and effortless writing experience.



Research and application of engineering technology

Materials field

Driven by the performance upgrades of intelligent terminal devices and the trend toward green manufacturing, we have continued to advance innovation in materials to overcome the limitations of traditional material functionalities.

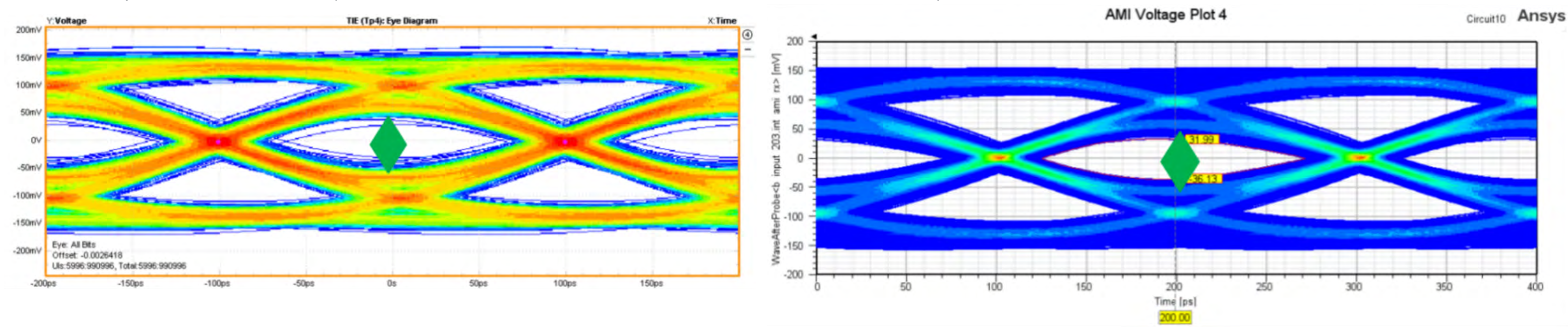
In terms of composite materials, we have developed antibacterial, conductive, and high-toughness materials that can significantly enhance product functionality and reliability. These materials have been scaled up for use in various terminal products such as intelligent interactive flat panels and styluses. Additionally, we have developed engineering plastics with high mechanical strength and high dimensional stability to substitute metal components, successfully applied in display device handles and mid-frame constructions. These materials offer lightweight solutions for robotics, wearable devices, automotive electronics, etc.

In 2024, we focused on developing magnetic core adhesives that now meet top-tier international standards in key aspects such as curing temperature, curing time, and room temperature storage. While reducing energy consumption during production, they have significantly improved production line efficiency, supporting the automation of our manufacturing process.

Simulation technology

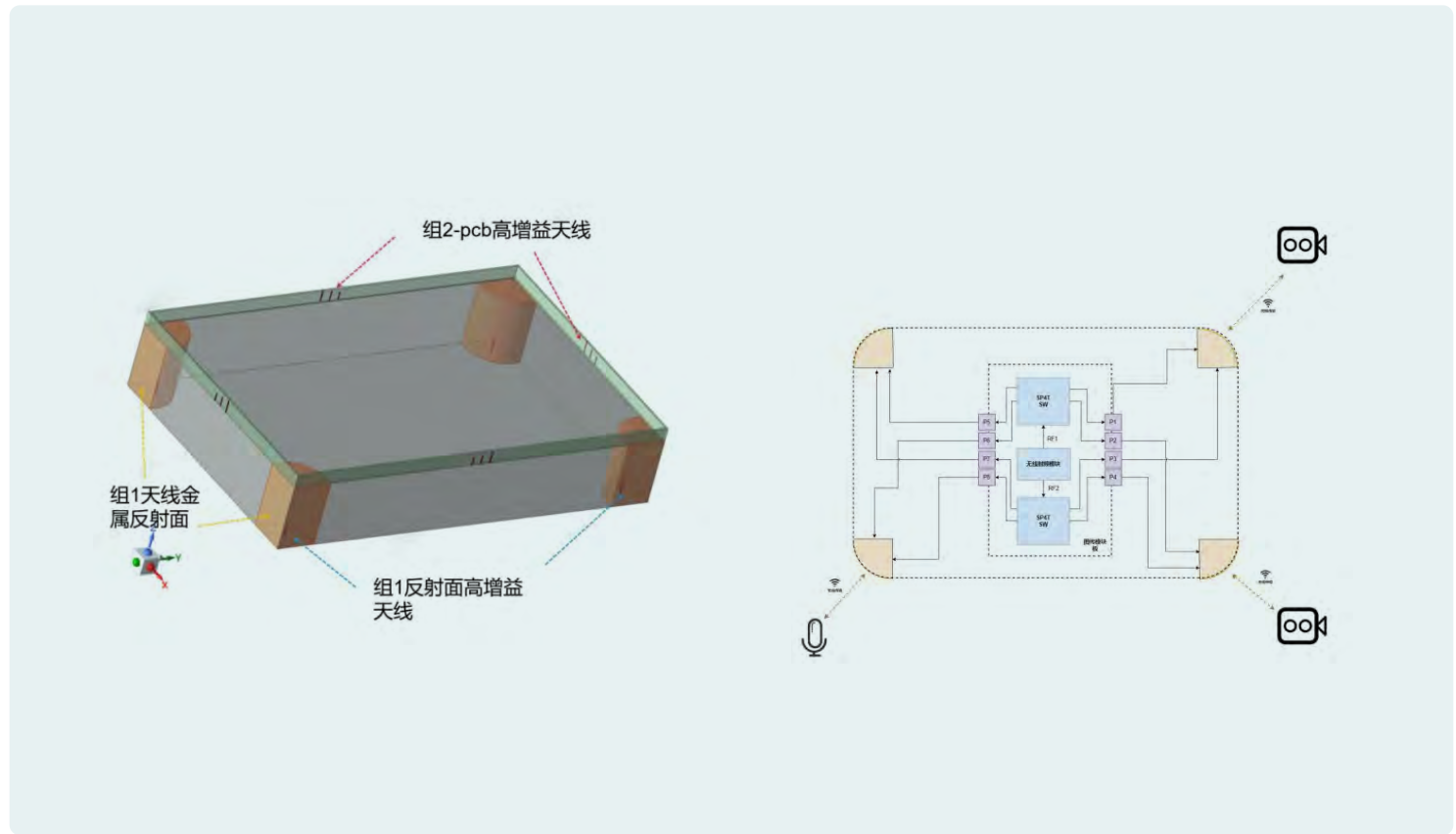
The Company's comprehensive simulation system deeply integrates multiple disciplines including fluid dynamics, structural mechanics, and signal integrity analysis to tackle the core challenges of complex system design. By replacing traditional physical trial-and-error with simulation, we reduce testing costs across the full lifecycle from concept to mass production. Incorporating AI algorithms to optimize simulation parameters, we are advancing toward “zero-defect design” in electronics, achieving automotive-grade complex system simulation and building a core engine for intelligent manufacturing.

To address the industry pain points such as insufficient design margins for complex PCB interconnects, long iteration cycles, and difficulties in signal and power integrity assessment, we utilize a 3D full-wave electromagnetic solver to precisely analyze PCB models. Combined with co-simulation of actual signal sources' driving characteristics, we accurately simulate the signal transmission behavior in real-world scenarios, enabling quantitative assessment of signal quality and power integrity in complex PCB interconnect structures. This technology effectively shortens the design verification cycle, successfully supports product design margin assessment, and efficiently avoids the risks of repeated revisions associated with traditional trial-and-error development.



Radio frequency technology

Radio frequency technology enables wireless interconnectivity for terminal products. We have overcome the bottleneck of long-distance wireless transmission, and by leveraging electromagnetic simulation and innovative antenna designs, created highly reliable communication solutions. Taking the intelligent educational recording system as an example, its antenna module consists of multiple external antennas. Installing and removing them is complicated, easily damaged, and cannot meet the requirements for long-distance high-definition audio and video transmission. We have designed a low-profile, high-gain antenna solution. For long-distance HD audio and video transmission over 100 meters in recorded broadcasts, the antenna gain is increased by 6dB, enhancing signal strength. This doubles the transmission range and effectively ensures signal stability over long distances. In addition, the low-profile antenna design with reflector not only allows for a compact height, making it easy to integrate internally, but also reduces assembly loss and costs.



Innovation Incentives and Innovation Atmosphere Building

To inspire employees' passion for innovation, we have established a systematic innovation mechanism that spans from creating an atmosphere to implementing supportive policies. We encourage staff to explore boldly, innovate continuously, and promote overall organizational innovation. We have developed and implemented the Academic Awards Policy, which clearly defines the academic achievements eligible for awards, the recipients, conditions, standards, and detailed procedures. Upholding principles of transparency, fairness, and justice, the policy aims to motivate and incentivize both teams and individuals involved in technological innovation, fully mobilize employees' creative enthusiasm, and promote the production of landmark achievements.

Innovation award

The Company regularly conducts annual Innovation Awards and quarterly Micro-Innovation selection activities to encourage all employees to engage in micro-innovations and small improvements across various fields such as technology, manufacturing processes, product quality, and management, aiming to fully stimulate each individual's innovative thinking and creativity, inspiring them to propose new ideas and perspectives. In 2024, a total of 2,019 innovation and micro-innovation projects were submitted, involving 2,198 participants.



2024 Micro-Innovation Project Submission Status

Patent technology award

To foster a virtuous cycle of "Innovation - Protection - Commercialization - Value Creation", strengthen intellectual property protection efforts, and promote the industrial application of innovative outcomes, the Company regularly conducts patent technology awards. Following the principles of "Categorized Management and Differentiated Rewards", we set up seven award categories, including invention patents, utility model patents, design patents, and overseas patents. These cover the entire patent lifecycle—application, granting, implementation, and commercialization. Based on patent quality and contribution to business development, we provide precise and differentiated rewards to fully stimulate innovation vitality.

Annual Patent Awards

Focused on four core technological areas—algorithms, software, electronics, and structures—while also recognizing achievements in design innovation and overall patent engagement, these awards aim to honor inventors who have achieved outstanding technological innovations. In 2024, over 200 employees were recognized with the Company's annual patent awards.

Quarterly Patent Awards

This involves quarterly statistics on the Company's invention patent applications, invention patent grants, utility model grants, and design patent grants, as well as the practical application and implementation of these patents in business. The selection process is conducted rigorously, and outstanding teams and individuals are promptly recognized and rewarded. In 2024, more than 2,000 employees were recognized with the Company's quarterly patent awards.



Innovation atmosphere building

An innovation atmosphere is a key driving force behind technological innovation. We focus on building a technical culture centered on "Overcoming challenges and innovative breakthroughs". Through a regular matrix of technical activities, we have built a strong tech community brand, Geek. This not only enhances the technical atmosphere but also promotes knowledge exchange and the sharing of experiences.

Since 2017, we have held annual TechDay events featuring hardware and software technology weeks. In 2024, the TechDay technology and product exhibition showcased a total of 89 innovative projects, covering fields such as audio and video, displays, interaction, connectivity, touch technology, engineering, artificial intelligence, and power electronics. The event highlighted both software innovations and hardware breakthroughs, fully demonstrating the Company's technological strength. Over 4,000 employees participated, collaborating with industry experts to explore cutting-edge technologies and showcase product achievements.



Ethical Management for Artificial Intelligence

Artificial intelligence (AI) technology is transforming industries at an unprecedented pace, with technology companies playing a crucial role in this transformation. As a leading technology company in the industry, we firmly believe that the safe and responsible use of AI technology is essential. We exercise stringent oversight of technology ethics, with the Chief Technology Officer, Chief Risk Officer, and Chief Product Officer jointly responsible for the review process.

Regarding the review mechanism, we have implemented:

- Quarterly safety assessment: covering the legality of training data, compliance of generated content, and analysis of user feedback;
- Major update review: any algorithm model architecture adjustments or new feature launches must be approved by the review committee beforehand;
- Annual external testing: engaging third-party authoritative organizations (e.g., local bureaus of industry and information technology) to conduct offensive and defensive drills to test data security.

The ethical norms for technology that we follow primarily include:

Content Security Governance

Content security means that the content provided to users does not include risks such as violating socialist values, laws and regulations, commercial ethics, or infringing on personal privacy. In terms of software and algorithm services, we have deployed a keyword filtering library and various interception methods that cover all statutory safety risk categories, ensuring effective blocking of illegal content. We have also established comprehensive systems for testing acceptance and release approval, and mechanisms for retraining on illegal content, user feedback, and routine inspections to ensure timely updates and iterations.

Fairness and Non-Discrimination

We believe that products should serve a diverse range of user groups, and that fairness in how users are treated within the product service is especially important. We ensure equal product service capabilities in areas with limited conditions. For example, in remote mountainous regions with poor network conditions, to guarantee the service capabilities for smart campus products, we provide on-device deployment solutions, allowing users to enjoy equitable intelligent education services. Meanwhile, we can tailor research and development for different user groups, enhancing their quality of life and overall well-being.

Transparency

Users have the right to understand the technical principles, service capabilities, limitations, permission access, data usage, and other terms related to the products they use. Our user service terms are clear and transparent. We inform users of product updates through the service terms and obtain their informed consent.



Promoting Industry Development

The Company continues to deepen the construction of an innovative ecosystem for industry collaboration. Through in-depth partnerships with industry associations, research institutions, and peer companies, we conduct technical discussions on cutting-edge fields such as ultra-high-definition displays, intelligent interaction, and artificial intelligence, and actively organize or participate in the development of industry standards to promote breakthroughs in industry generic technologies and accelerate industrialization, and achieve all-win outcomes and coordinated development across the entire supply chain.

As a dual-chain leader in the Guangdong UHD display industrial chain and the Shaanxi new-type display industrial chain, the company is committed to driving coordinated development among upstream and downstream enterprises. Additionally, we have repeatedly assigned technical experts in audio, video and AI fields to participate in the seminars and industry exchanges organized by authoritative standardization bodies such as the National Technical Committee for Standardization of Audio, Video, and Multimedia Systems and Equipment, the Artificial Intelligence Subcommittee and the Educational Technology Subcommittee of the National Technical Committee for Standardization of Information Technology, and the UHD World Association. Leveraging our deep technical expertise and extensive practical experience, we have actively contributed to the development and refinement of related standards, promoting the advancement and optimization of industry technologies.

Newly participated in the development of

6

national standards

7

industry standards

13

group standards

Cumulatively participated in the development of

15

national standards

15

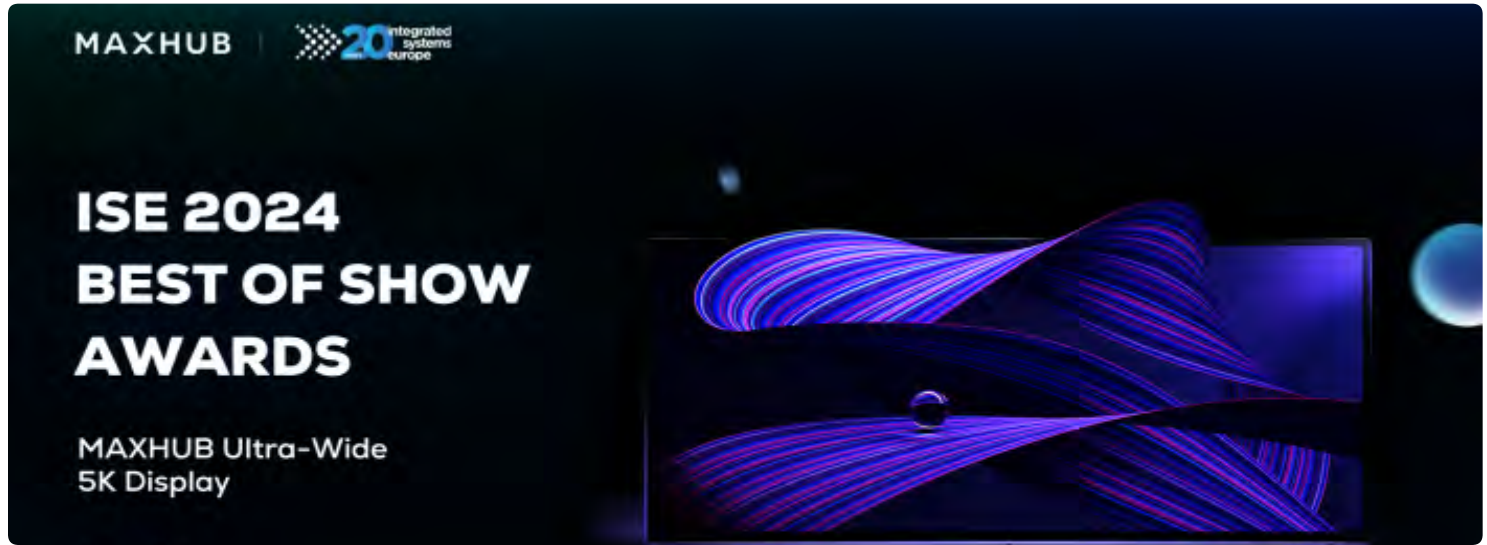
industry standards

80

group standards

CVTE showcased multiple products at ISE 2024, a premier exhibition for global AV industry

In February 2024, at the Integrated Systems Europe (ISE), a bellwether event for the global AV industry, CVTE showcased its sub-brands MAXHUB and QSTECH, and presented a wide array of latest products and full-scenario communication and display solutions. Our "MAXHUB Ultra-Wide 5K Display" product stood out among over 1,000 products and solutions showcased by companies worldwide, earning the "BEST OF SHOW" award. This highlights the Company's ongoing innovation and strong competitiveness in UHD Display technology.



MAXHUB showcased its core products at InfoComm Asia

In July 2024, the highly anticipated professional AV and integrated experience event in the Asia-Pacific region—InfoComm Asia 2024—was held at the Queen Sirikit National Convention Center (QSNCC) in Bangkok, Thailand. MAXHUB, the global brand of CVTE, showcased its solutions across three major scenarios: business, education, and display. They also introduced core products such as the XCore Kit Pro, V7 Intelligent Conference Panel, and the third-generation all-in-one LED display. These offerings delivered a refreshed user experience to global partners and highlighted the Company's ongoing innovation and achievements in the commercial display domain.



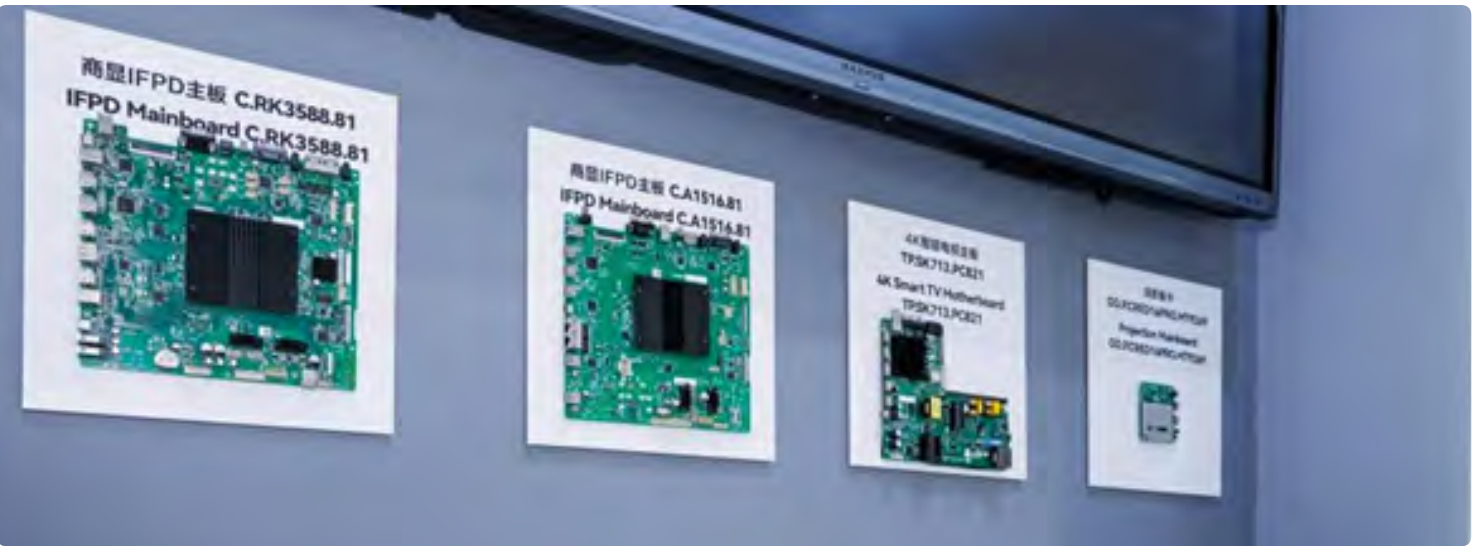
Seewo participated in drafting the White Paper on Data Governance and Sharing Technical Standards for Educational AI LLM

In July 2024, under the guidance of the Education and Information Technology Standard Committee of the Ministry of Education of PRC, seewo, an educational technology brand of CVTE, participated in drafting the White Paper on Data Governance and Sharing Technical Standards for Educational AI LLM, officially released at the 2024 World Artificial Intelligence Conference (WAIC). Seewo, as a provider of smart education solutions, continues to drive the digital transformation of education through participation in setting educational standards. The release of this White Paper will accelerate the deep integration of AI technology in teaching scenarios, promote standardized governance and sharing of AI LLM data in the education sector, maximize the value of educational data, and drive high-quality development in the industry.



CVTE participated in the 136th China Import and Export Fair

In October 2024, the Company showcased a series of innovative products and solutions at the 136th China Import and Export Fair (Canton Fair). The exhibits included cutting-edge products across core areas such as display components, computing devices, intelligent hardware, household appliances, residential energy storage, digital education, immersive conferencing, and intelligent displays for commercial scenarios. They thoroughly highlighted the Company's global development strategy driven by the dual engines of "technology + scenario", demonstrating its strong technological foundation.



Strict Product Quality Control

CVTE always prioritizes product quality and safety, continuously optimizing its quality management system and strictly regulating product quality control processes. By enhancing employee awareness of quality and reinforcing the Company’s overall quality management capabilities, we are committed to delivering safe, high-quality, and trustworthy products to users. During the reporting period, the company recorded zero major product- or service-related quality and safety liability incidents.

Quality Management System

The Company carries out refined product quality management across the board and has established and implemented a series of internal quality management regulations, including the Product Design and Development Control Procedure, Production Process Control Procedure, and OEM Quality Management Control Procedure. These regulations standardize quality control across the entire product lifecycle—from R&D and design to after-sales service—ensuring product safety and reliability. Internally, a Quality Committee has been established to take full responsibilities for overall planning of the Company’s quality strategy, setting quality objectives, making major quality decisions, and reviewing critical quality management mechanisms.

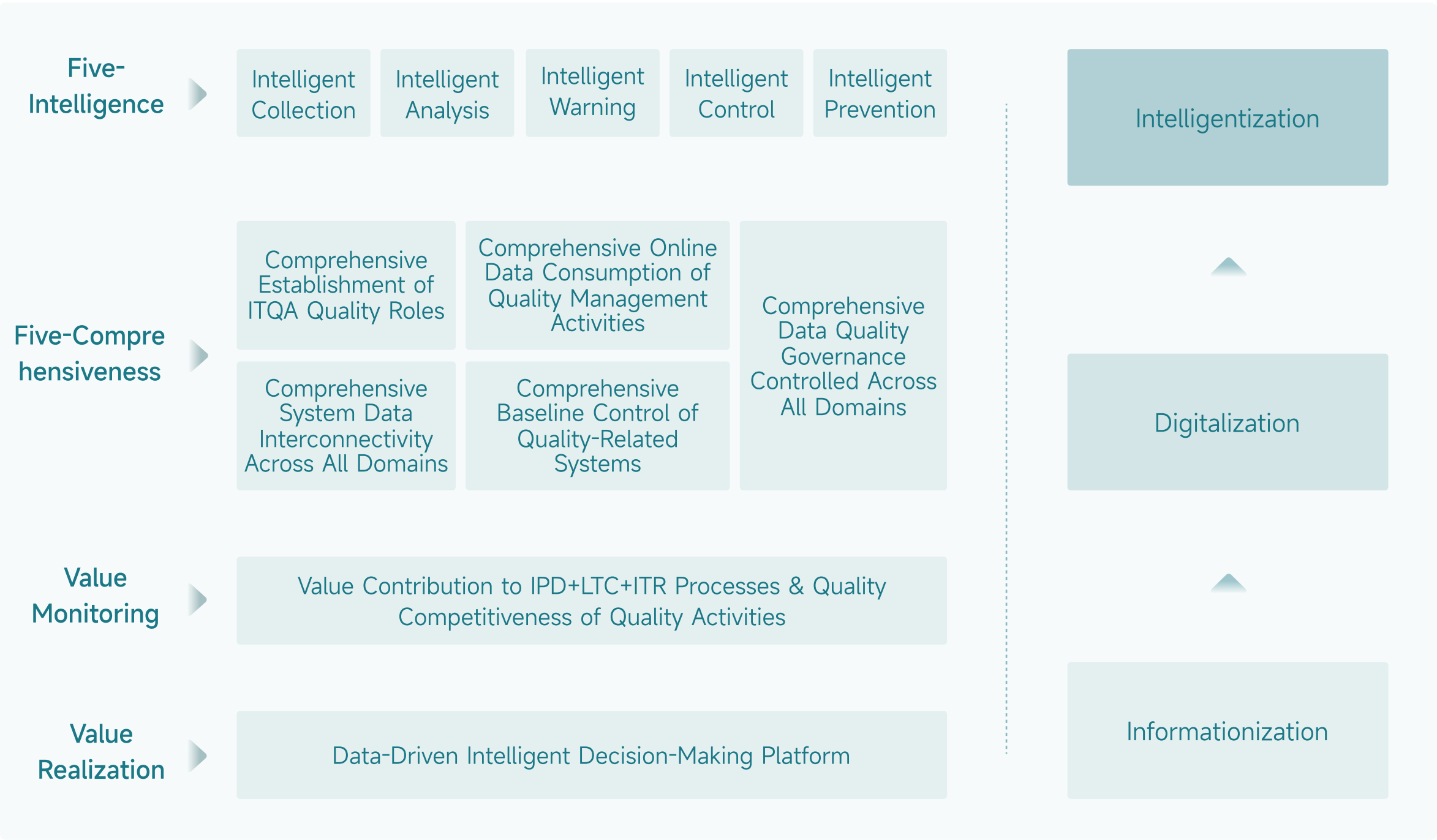
To ensure the achievement of quality objectives, the Company has established comprehensive quality assessment criteria and incentive mechanisms. Meanwhile, we actively participate in system certifications by international standardization bodies such as ISO and IEC. As of the end of the reporting period, the Company and several of its major subsidiaries have all obtained ISO 9001 quality management system certification.

Total Process Quality Management

The Company has established comprehensive quality management measures that cover the entire process, including R&D, supply chain, production, and logistics, providing strong support for whole process quality control. We implement strict quality control procedures, including incoming quality control (IQC), in-process quality control (IPQC), outgoing quality control (OQC), and ongoing reliability testing (ORT), to ensure that our products meet high-quality standards throughout all stages—from R&D, raw material procurement, manufacturing, to final shipment. Additionally, we have established a responsible product recall mechanism that allows us to quickly initiate recall procedure when issues arise, conduct root cause analysis promptly, and implement corrective actions for related issues.

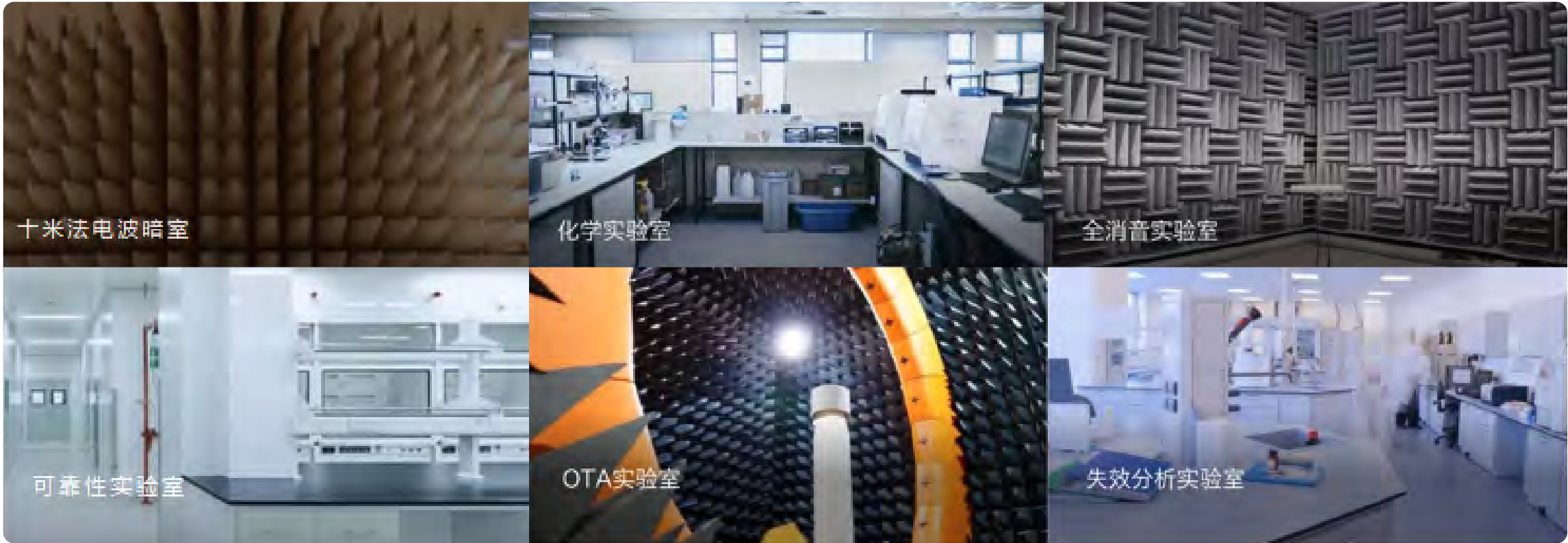
Building a comprehensive, data-driven preventive quality management system

Based on big data technology, the Company has built a comprehensive data-driven preventive quality management system that enables automated monitoring and assessment of product quality indicators, thereby enhancing product quality level through digital means.



In-house specialized laboratories with comprehensive testing capabilities

The Company boasts industry-leading specialized laboratories, including an anechoic chamber, fully automated optical testing platform, EMC laboratory, and OTA wireless RF laboratory. These facilities support full-process product quality testing—from material selection and design verification to mass production verification and failure analysis.



Our laboratories have obtained multiple national and international laboratory qualification accreditations, including CNAS, CMA, CBTL, A2LA, and ISTA certifications. These qualifications enable third-party evaluations for various electronic products in areas such as product safety, electromagnetic compatibility, environmental compliance, performance, and reliability, to help reduce failure rates and health risks, improve product conformity, durability, and compliance, and reduce environmental impacts from scrapped products.



Building a Quality Cultural Atmosphere

Management lays the foundation, while awareness leads the way. The Company carries out a diverse range of quality culture construction activities to strengthen employees' awareness of quality responsibility and foster a cultural atmosphere where everyone is engaged in quality management. In 2024, activities included the "315" Quality Special Event, the Quality Lecture Series, and Quality Month activities such as the Quality Knowledge Contest, Quality Experience Sharing Sessions, and Quality Innovation Proposal Competition.

At the same time, the Company regularly carries out continuous quality improvement activities, and establishes mechanisms for quality improvement projects (e.g., QC team projects and Six Sigma projects). These cover areas including R&D quality management, supplier material quality management, and manufacturing quality management. The Company also hosts project competitions and conducts Six Sigma talent training programs to ensure the effective implementation of quality transformation. In 2024, the Company established 22 QC team projects and 18 Six Sigma projects.



Quality Lecture Series



Quality Project Activity



Quality Month Activity



Six Sigma Training

Practicing Responsible Marketing

CVTE is committed to providing users with efficient and convenient services, continuously improving its customer service system, strengthening marketing management, and constantly enhancing the value of its products. Moreover, we place great emphasis on protecting customer rights and interests, fully implementing key measures related to information security and privacy protection, and upholding responsible marketing principles to ensure customers’ legitimate rights are fully safeguarded.

Customer Service

The Company continuously improves its customer service and communication management mechanisms, strengthens the development of service standards, builds a high-quality customer support team, and conducts customer satisfaction surveys, to ensure that customer requests are responded to promptly and that satisfaction is enhanced through quality products and services. We have obtained relevant certifications for customer service qualifications, such as the certification for after-sales service - Five-Star After-Sales Service, the certification for after-sales service completeness - Twelve-Star Outstanding After-Sales Service, the certification for CCCS service - Five-Star Rating.



Customer service assurance

Adhering to the service philosophy of "providing high-quality technical support and after-sales service to create an exceptional experience for users", the Company offers comprehensive, end-to-end services to customers. We have developed service policies, business and service standards for our various brands, and established systems such as the Complaint Handling Process and Standards, to standardize after-sales service processes and ensure the effectiveness of customer issues resolution. A clear and effective issue escalation mechanism is in place. In addition, to ensure that each requirement is effectively implemented, we continuously improve the monthly evaluation system for customer service staff, incorporating metrics such as customer satisfaction and service response time, to strengthen standardized management of after-sales services and provide robust support for consumers.

Customer communication channels

The Company has established diverse and accessible customer communication channels both online and offline. On the online side, customers can contact customer service personnel for feedback in a timely manner through various methods such as telephone, official account, official website and APP. On the offline side, we have set up a team of experienced Field Application Engineers (FAEs) to provide on-site services such as product installation, maintenance, and commissioning for our customers. We also gather feedback on product use to drive quality and R&D improvements.

Customer complaint handling

To ensure our customers' service requests are handled promptly and effectively, the Company has established a complaint handling standard of “respond immediately, provide a solution within 2 hours, and ensure 100% closed-loop handling”, to guarantee that customer complaints are handled quickly and effectively. After customer complaints are resolved, we analyze and summarize the entire process through systematic archiving and closed-loop tracking, and develop preventive actions to prevent similar issues from happening again. In 2024, we achieved a 100% resolution rate for customer complaints.

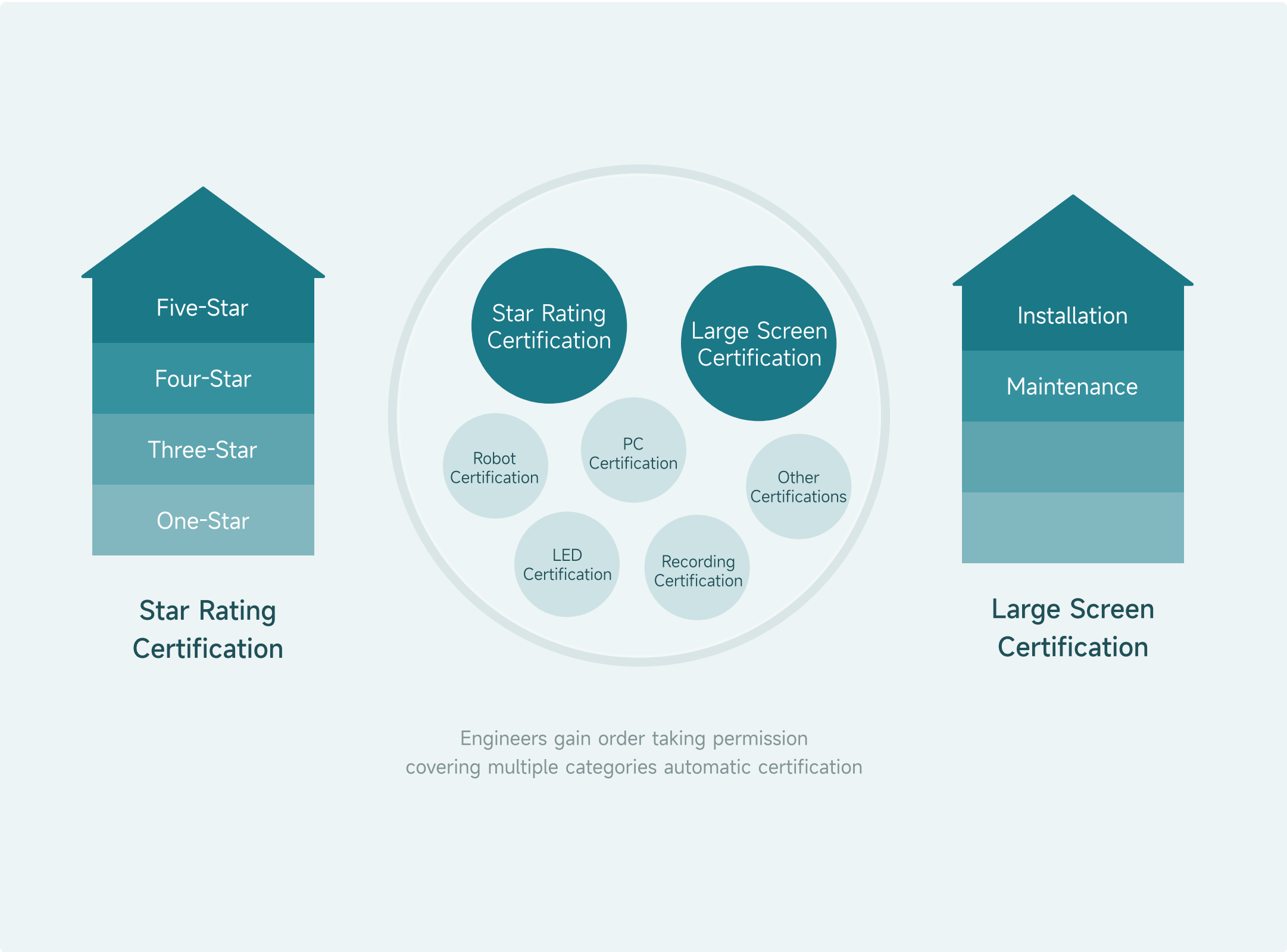
Digital customer service

The Company leverages digitalization and informatization to empower business growth and has implemented various measures to enhance customer service quality. In terms of resource efficiency, precise matching is achieved through the use of intelligent robots, spare parts forecasting, and inventory management, reducing excess stock and logistics waste. Additionally, low-code platforms lower system iteration energy costs and support paperless workflows, helping to reduce carbon emissions. In terms of risk warning and monitoring, we have established an exception monitoring center to alert on exceptions, including but not limited to overdue on-site service alerts, spare parts expiration alerts, and key sensitive word alerts in customer inquiries. This allows the backend to identify and intervene promptly, ensuring timely service. In terms of customer service empowerment, we offer multi-channel service access, standardized service SOPs, KPI management, and complaint handling mechanisms to ensure service quality, along with self-service support via a knowledge repository and intelligent Q&A system. In terms of employee development and guarantee, we support technical personnel growth through an engineer APP and a star-rating skill certification system, and enhance team efficiency with multi-person collaboration function. In terms of digital governance system, we are dedicated to providing standardized management of all business data and cross-system collaboration and compliance.

Customer service capability building

The Company continuously enhances the professional skills of its customer service team by establishing the Shirong National Engineer Star Rating and Service Capability Certification Specification, requiring all after-sales service engineers to obtain relevant certificates and qualifications to improve their expertise and service quality. In 2024, 96% of after-sales service engineers obtained certifications and order-taking qualifications for their respective product lines, with over 10,000 certificates issued.

To further enhance the professionalism of our customer service team, we continuously improve our customer service training mechanisms. We offer a variety of specialized training programs nationwide, including service experience training, new product after-sales training, problem diagnosis and handling training, and integrated project delivery and implementation training. These efforts aim to comprehensively elevate the professionalism of our customer service staff. Additionally, we organize various customer service skill competitions to enhance technical level and teamwork, further improving the hands-on capabilities of our customer service staff. In 2024, we conducted a total of 382 specialized customer service training sessions, totaling 1,032 hours, and covering over 10,000 network engineers.



Improving customer satisfaction

Focusing on customer requirements, the Company constantly improves customer experience through high-quality services and innovation, aiming to raise product and service satisfaction levels. We have established a systematic feedback mechanism and conduct regular comprehensive satisfaction surveys covering customer service, work order handling, integrated solution implementation, sales services, and distributor relationships, in order to gain a thorough understanding of customer requirements. Additionally, the Company has developed a customer satisfaction model to analyze and summarize customer satisfaction survey results, formulate improvement plans for areas such as service, products, and quality, and implement regular monitoring to ensure these improvements are effectively carried out. The Company has set a target of over 99% annual customer satisfaction. From 2020 to 2024, the Company has achieved this goal for five consecutive years.

Distributor management

The Company has established the Daily Management Standard for Contracted Distributors and defined the distribution requirements in the cooperation agreements to regulate distributor conduct. Additionally, we maintain close communication with our distributors and foster mutual growth through training sessions, seminars, and other activities to continuously improve marketing and service quality. Taking seewo as an example, in 2024, seewo organized non-scheduled product training sessions for distributors and held ten summary seminars.

Compliant promotion

The Company always strictly adheres to the Advertising Law of the People's Republic of China, the Measures on the Administration of Internet Advertising, and other relevant laws and regulations related to marketing and promotion, ensuring that all external promotional content is truthful, accurate, and compliant. We have also established and implemented standard documents such as the Self-inspection Items for External Publicity to ensure the quality of our promotional content from the source, preventing any exaggerations, falsehoods, or biased information. In 2024, the Company continued to optimize its advertising promotion management mechanism, improve the advertising notes database, and achieve systematic recording and management of advertising content.

Key Provisions of the Self-Inspection Items for External Publicity:

1. Advertisements shall not contain false information and must be true, accurate and clear;
2. Advertisements shall not contain absolutist terms, such as national, world class, the highest level, etc.;
3. The data used in the advertisement shall be accurate; the financial data or market data in the copy shall be explained with the time dimension, and the source of the data shall be noted if it is quoted; if the data is derived through reasoning, ensure that the underlying data is genuine, accurate, and well-sourced, with logical and complete reasoning.
4. Do not make absolute guarantee of product effect, product effect varies from person to person;
5. The description of the social phenomenon or the judgment of the market shall provide the basis, if it is quoted, the source shall be noted;
6. Advertisements must not use or indirectly depict the names or images of national symbols, government agencies, or government personnel;
7. Using someone else's portraits or voices must be authorized.

Key Measures for Compliance in Advertising Review

Self-examination	We prepare an internal self-review checklist for external promotions, conduct in-depth interpretation of the requirements and legal responsibilities outlined in the Advertising Law of the People's Republic of China, clarify key compliance points, and offer case-based guidance to help prevent violations and ensure the legality of marketing activities.
Review	The Legal Department of the Company implements comprehensive monitoring, including prior reviews, process oversight, and post audits, to prevent improper marketing practices. In 2024, the Legal Department conducted over 1,300 advertising and marketing reviews across various business groups and subsidiaries, with no instances of non-compliance found.
Training	CVTE continuously strengthens training to enhance employees' awareness of compliance in marketing. In 2024, we held 12 responsible marketing training sessions, covering advertising compliance essentials and knowledge sharing to strengthen employees' adherence to compliance in advertising and promotion.

Information Security and Privacy Protection

CVTE attaches great importance to information security and user privacy data protection, fully respects and protects the legitimate rights and interests of users. The Company strictly complies with the Cybersecurity Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China, the Data Outbound Security Assessment Measures, and other relevant national laws and regulations related to information security, as well as overseas information security and privacy protection laws and regulations involved in business operations. In addition, we have developed a series of internal management specifications and compliance guidelines, and has established a comprehensive information security and privacy protection management system. The General Manager of the Company who is also a director, is responsible for overall supervision and decision-making.

Meanwhile, the Company continues to advance external certifications of its information security and privacy protection management systems. As of the end of the reporting period, the Company and several subsidiaries have obtained ISO 27001 Information security management system certification, and ISO 27701 Privacy information security management system certification.

Information security

The Company has established an Information Security Department, which is fully responsible for the Company's information security construction, planning, risk assessment, security incident handling, awareness promotion and training, and defense against security attacks. Furthermore, the Company has formulated and implemented internal management specifications such as the Information Security Management Policy, Information Security Management Manual, and Information Security Risk Assessment Control Procedure, which clearly define information security management requirements, responsibilities, and risk response measures to standardize the information security management across all business units and ensure the orderly advancement of information security efforts. In 2024, the Company did not experience any data security incidents or customer privacy breaches.

Information Security Management Measures	
Human resources security management	Prior to the official appointment of personnel, clarify the security responsibilities of new employees, contractual personnel and third parties that match their job roles to reduce the risk of unauthorized use and abuse of information assets. After onboarding, provide information security awareness training and assessments, and have staff sign confidentiality agreements. When employees resign or are dismissed, promptly revoke system access, conduct exit checks, and prevent information leaks or other risks.
Asset management	Establish an information assets accountability system, identify all information assets, establish asset list and use rules, and clearly define who is responsible for information assets and their responsibilities. Software assets, information assets, and other intangible assets are managed centrally in the CMDB (Configuration Management Database). Regular assessments of asset importance assessments, risk assessments, vulnerability scanning, and penetration testing are conducted on assets on a regular basis to ensure the security, availability, and integrity of the assets.
Physical and environmental security	Delineate a physical security zone to prevent unauthorized physical access, damage, and interference with the workplace and information. Protect equipment from physical and environmental threats, and prevent information equipment from being lost, interfered with, destroyed, and harmed by environmental risks, so as to avoid the loss of information assets and the interruption of business activities.
Access control	Following the “principle of least privilege, establish access control rules according to the least privilege range necessary for work to control access to information, information processing facilities, and business processes based on business and security requirements. Establish procedures for the implementation of user access rules to ensure that only authorized users can access the system and prevent unauthorized access to the information system.
Data leak prevention	Safeguard the Company's information security in terms of prevention beforehand and response afterwards. In terms of prevention beforehand, we hire third-party organizations annually to conduct vulnerability scanning, including simulated hacking attacks. We also hold annual cybersecurity emergency drills that realistically simulate 17 risk scenarios such as network interruptions, core system paralysis, and key equipment downtime, so as to improve the information and data security management capabilities of all employees. In terms of response afterwards, we formulate and implement the Information Security Incident Handling Process to clarify incident classification standards as well as reporting and handling processes, so as to provide clear handling guidelines for information security incidents.
Supervision and review	Conduct rigorous supervision and review of the entire information management process annually, and hold management reviews involving the CEO and management representative to evaluate the Company's cybersecurity strategy and review the operational effects.
Awareness enhancement	Regularly conduct information security awareness training for all employees and suppliers to improve information security and privacy protection management level. In 2024, the Company held four training sessions related to Information Security Awareness Training, with approximately 870 participants. Additionally, the Company enforced information security requirements for employees in accordance with the Information Security Reward and Punishment Control Procedure, implementing reward and punishment measures to ensure these requirements are effectively followed.

Privacy protection

To improve the efficiency of privacy security management, the Company has established a dedicated privacy protection working group responsible for leading, implementing, and reviewing internal privacy protection policies and procedures, and developed and continuously implemented internal management specifications such as the Personal Information Protection Management Manual, Personal Information Protection Management System Internal Audit Control Procedure, and Personal Information (Data) Compliance Protection Baselines, ensuring that the Company's personal privacy protection efforts are clearly and consistently applied.

We have drafted and published the CVTE Privacy Policy on the Company's official website, clearly expressing our firm stance and commitment to protecting personal information. For different products, we have established corresponding privacy policies and continuously optimize and improve them based on the actual needs of business development, ensuring all business products involving personal information are covered.

We prioritize the data security requirements of overseas markets by hiring professional international lawyers to provide compliance advice for our products abroad. We also set up overseas servers to store overseas customer data in overseas regional servers permitted by law, in order to meet the regulatory requirements related to the security management of overseas private data.

Moreover, to ensure the effective implementation of the privacy protection rules, the Company conducts internal compliance reviews regarding personal information protection each year. This includes verifying that each business group, department, and subsidiary adhere to the privacy policies, and providing reasonable suggestions for improvements based on the review results to continuously enhance privacy protection.

In 2024, we conducted

310

compliance
reviews

4

compliance
tests

104

issues corrected
beforehand

Confidentiality Agreement

We sign confidentiality agreements with all new employees, achieving **100%** coverage.
When it comes to important projects, we sign confidentiality agreements with members of the project team.
When introducing suppliers, we sign confidentiality agreements with our suppliers, and the coverage rate reaches **100%**

Summary of the main contents of CVTE's privacy policy

1. Transparently disclose handling rules to customers, clearly informing them of the purposes, methods, and types of personal information processing.
2. Fully respect customers' rights, providing convenient ways for them to exercise their rights regarding personal information. Users can directly modify their personal details and permissions within the product. Additionally, a dedicated email address for personal information protection is set up to address customer concerns. Users also have the right to request the Company to delete their data.
3. Implement protection measures such as encryption, access control, and usage approval according to data classification control strategy, and conduct authentication for information security level protection.
4. Delete or anonymize personal information upon completion of the processing purpose.
5. When it is necessary to provide personal information to a third party, conduct a personal information impact assessment in advance and provide it under the condition that it does not infringe on the rights and interests of the customer and complies with relevant laws and regulations.
6. Sign confidentiality agreements with personnel and suppliers who have access to personal information.

In addition, we continuously strengthen training on personal information protection, constantly enhancing employees' awareness and attention on safeguarding personal data. In 2024, we conducted the following personal information protection training activities:

New Employees

Provided training on personal information protection for new R&D personnel, product managers, and other roles involved with customer personal data, ensuring that relevant employees are aware of personal information protection during product design and development, so as to effectively reduce violations related to personal information.

AIGC Tools

As AIGC technology continues to advance and improve, the usage scenarios and frequency of related tools have significantly increased. So, we conducted company-wide specialized training on Compliant Use of AIGC Tools to ensure employees adhere to relevant requirements when using AIGC tools, thereby preventing risks such as business secrets leaks, intellectual property infringement, personal information leaks, and risks associated with using overseas tools.

Co-Building of Responsible Supply Chain

Upholding the concept of co-building a responsible supply chain, CVTE places great importance on the social and environmental impact of supply chain activities. We work closely with our suppliers to establish mutually beneficial and win-win partnerships, jointly promoting the sustainable development of the industry supply chain.

Supply Chain Management System

The Company has established a comprehensive supply chain management system and continuously improved a series of internal supplier management regulations such as the Supplier Onboarding Process Specification and the Supplier Performance Evaluation Management Specification to clearly guide and standardize supplier management. In 2024, we continued to improve our supplier management system by officially releasing the Supplier Code of Conduct and requiring suppliers to sign a Supplier Code of Conduct Commitment Letter, which clarifies and standardizes supplier conduct in key areas such as labor standards, occupational health and safety, environmental protection, and business ethics.

In addition, the Company utilizes the Supply Chain Collaboration Platform (SRM system) to track the implementation of supplier onboarding, performance evaluations, routine audits, and other stages, achieving integrated, standardized, and detailed management of suppliers.

Supplier onboarding

The Company conducts a comprehensive qualification review of suppliers during the onboarding phase, including essential review items such as system certifications, operational risks, and safety requirements, as well as reference review items such as industry reputation, upstream resources, and production capacity to thoroughly identify suppliers that best meet the Company's needs for quality, delivery, service, and cost. In 2024, we continued to optimize our supplier onboarding standards and processes, improve quantitative evaluation indicators, and further standardize sourcing criteria. We also introduced a competitive mechanism to optimize procurement costs and reduce supply chain risks by phasing out less competitive suppliers.

Supplier performance evaluation

The Company has established a comprehensive supplier performance evaluation and incentive system, providing clear guidance for supplier performance assessments, incentive measures, coaching, and elimination plans. At the same time, we have established a supplier performance evaluation mechanism that regularly assesses suppliers' quality, cost, delivery, service, and technology to identify potential risks, promote continuous improvement, and ensure a secure and stable supply chain.

Supplier audit

The Company regularly screens and audits suppliers based on their risk levels and submits the results to the Supply Chain Committee for final approval.

When screening key suppliers, we incorporate the requirements closely related to businesses into our consideration. We conduct a comprehensive assessment of the political and economic environment in specific countries, industry development trends, and the particular risks associated with the products. Additionally, we emphasize the compliance with ESG standards to ensure that the chosen suppliers not only meet the actual needs of the Company's businesses but also align with the idea of sustainable development.

Regarding supplier audits, we conduct on-site inspections for high-risk direct suppliers (including those providing final product assembly and components) and all raw material suppliers. The audits cover multiple areas, including but not limited to environmental management systems, hazardous substance control, product quality and safety, occupational health and safety, and compliance with the Company's Supplier Code of Conduct. If the audit results indicate that a supplier has not met the relevant requirements, we will ask the supplier to make corrections and improvements within the specified timeframe to ensure they continue to meet the Company's standards.

In 2024, the Company conducted on-site assessments for over 330 suppliers. For the 20 suppliers identified with potential negative impacts, we required them to implement 100% corrective actions or improvement plans. Additionally, a total of 20 suppliers participated in the Company's capacity-building programs.



Responsible Supply Chain

The Company places great importance on managing environmental and social risks across the supply chain. We require suppliers to strictly adhere to our standards on environmental protection, business ethics, conflict minerals, and other areas, aiming to steadily build a responsible supply chain management system and to develop a resilient, sustainable supply chain.

To effectively implement the supplier ESG assessments and comprehensively enhance the sustainability of the procurement phase, we organized systematic ESG training for procurement staff. The goal is to help them fully absorb the knowledge and apply it flexibly in their work.

The Company strictly prohibits the use of conflict minerals and fully implements conflict mineral management in accordance with the Responsible Business Alliance (RBA) standards. The Company requires all suppliers to commit not to purchase or use metals or products originating from conflict minerals or regions with human rights abuses. Suppliers must conduct due diligence on the sources and supply chains of tantalum, tungsten, tin, gold, and cobalt in their products to reasonably ensure that the raw materials comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework. Currently, the Company has not identified any suppliers in violation of conflict mineral regulations.

<div>Supplier Environmental Risk Management</div>	<div><div>1. Suppliers are required to strictly comply with environmental regulations, ensuring that all legally mandated environmental permits, approvals, licenses, and registrations are obtained, maintained, updated, and to follow the operational and reporting requirements.</div><div>2. Suppliers are required to commit to using natural resources within measure, including water, fossil fuels, minerals, and raw forest timber, and to analyze resource consumption at each stage of the product lifecycle, proposing solutions to reduce resource use.</div><div>3. Suppliers are required to commit to complying with laws and regulations related to pollution (including noise, etc.) and waste (including solid waste, wastewater, waste gases, etc.), and to reduce or eliminate pollution and waste generation at the source.</div><div>4. For inflammable and explosive or toxic and harmful hazardous goods, suppliers are required to properly keep and take preventive actions to avoid environmental pollution caused by fire, explosion or leakage incidents.</div><div>5. Suppliers are required to strictly comply with relevant laws and regulations as well as the Company's hazardous substances management standards, and to strictly prohibit from using or discharging substances explicitly banned under such regulations.</div><div>6. Suppliers are encouraged to implement water resource management plans to document, categorize, and monitor water usage and discharges.</div><div>7. Suppliers are encouraged to set greenhouse gas emission reduction targets and explore ways to improve energy efficiency to minimize energy consumption and greenhouse gas emissions.</div></div>
<div>Supplier Social Risk Management</div>	<div><div>1. Suppliers are required to strictly comply with all applicable labor compliance laws, regulations, regulatory requirements, and industry management standards, with any acts of forced labor or other violations of relevant regulations being strictly prohibited.</div><div>2. Suppliers are required to commit to complying with all laws, regulations, and standards related to workplace health and safety in the country or region where they operate, and to provide a safe and healthy working environment for their employees.</div><div>3. Sign an Integrity Agreement with suppliers and hold supplier conferences to promote anti-corruption awareness, emphasizing a firm stance against all forms of commercial bribery, fraud, and unfair competition.</div><div>4. Suppliers are required to commit to complying with all applicable antitrust and anti-unfair competition laws and regulations, avoid engaging directly or indirectly in monopolistic practices prohibited by law, and eliminate the use of unfair competition tactics.</div><div>5. Suppliers are urged to comply with import and export laws and regulations, meet the requirements of legal operation, trade security, and supply qualifications for business partners, and ensure that trade activities conform to international trade regulations and customs requirements.</div><div>6. Suppliers are required to commit to protecting the personal information of all individuals they do business with, and to comply with applicable laws and regulations related to privacy and information security when collecting, storing, processing, transmitting, or sharing personal information.</div></div>

Employee Care and Cultivation

The Company always regards employees as the fundamental cornerstone and valuable wealth for its stable and sustainable development. Adhering to a people-oriented philosophy, we are committed to genuinely safeguarding employees' legal rights and interests, valuing their growth, and fostering a virtuous cycle in which business development and employee advancement reinforce each other.

Compensation and Benefits

The Company adheres to the principle of equal pay for equal work and provides equal opportunities in all aspects of employment, including recruitment, compensation, benefits, and promotion. While ensuring the timely and full payment of wages for all employees, we offer market-competitive compensation and incentives. We also genuinely safeguard employee benefits, continuously enhance their sense of happiness and fulfillment, and share the Company's growth and success with them.

Compensation and performance

The Company continuously optimizes and implements internal compensation management and performance evaluation systems such as the Salary Management System and Incentive System, clearly defining that employee compensation consists of basic salary, position-based salary, housing allowance, seniority allowance, and variable pay (such as performance bonuses). At the same time, we implement a regular salary adjustment mechanism, ensuring that employees receive compensation and performance incentives that match their contributions to the overall business, work output, and individual performance. The Human Resources Department regularly reviews the performance bonus assessments and distributions across departments to ensure fair and reasonable compensation.

The Company has also established a fair, comprehensive, and transparent performance management system, and conducts regular performance evaluations for all employees on a monthly, quarterly, semi-annual, or annual basis. Performance evaluation covers two dimensions: department-based and employee-based. The former focuses on major tasks, lean management, and team building, while the latter emphasizes individual performance, behavioral standards, and work improvement. After the performance evaluation is finished, the department head will have a performance discussion with the employee. During the conversation, the head will attentively listen to employees' ideas, gather their feedback on performance evaluations, and offer suggestions for improvement. Together, they set performance goals and improvement plans for the next evaluation cycle.

In terms of long-term incentives, the Company has launched multiple equity incentive programs since its IPO and continues to refine the Administrative Measures for Supporting Innovation and Entrepreneurship. These initiatives award equity incentives to employees who make significant contributions to the Company's development and encourage eligible employees involved in innovative businesses to participate in employee stock ownership. This approach further motivates employees' innovation drive and entrepreneurial enthusiasm, effectively promoting shared growth between the Company and employees.

Employee benefits

The Company values employee happiness and always considers the business and employees as a closely connected community of shared interests, dedicated to maximizing benefits for both sides. The Company continuously improves its multidimensional employee benefits guarantee system. We have developed and implemented policies such as the Employee Handbook and Benefits System. In addition to providing basic benefits like the “Five social insurances and one housing fund”, and ensuring statutory holidays, we also offer supplementary benefits that cover various aspects of employees' daily lives, such as children's education and healthcare, such as free self-service meals, commuter shuttles, health check-ups, childcare, and psychological counseling services.

Complete infrastructure to support a balanced work and life for employees

To help employees balance work and life and to reflect our thoughtful care and consideration, in terms of dining, the Company has established a star-rated cafeteria, offering free, professionally designed three meals a day; in terms of employee commuting, the Company provides free shuttle buses to ease employees' commuting challenges; in each industrial park, the Company has built cafes, libraries, and cinemas, and provides facilities such as swimming pools, gyms, yoga studios, and dance rooms to offer employees a variety of recreational activities during their leisure time.



Library



Gym

Provide comprehensive health check-ups to safeguard the health of employees and their families

The Company has established an in-house medical center, offering two comprehensive health check-ups per year for employees, and one annual check-up for their spouses and parents. Our health protection initiatives have been selected for two consecutive years as exemplary cases of corporate health management by the China Enterprise Confederation, earning multiple awards related to employee health management and practices.



Specialized Medical Center



Physical Examination for Parents

Diverse psychological care, safeguarding employees' mental well-being

The Company attaches great importance to mental health of our employees. We have been upgrading the psychological counseling rooms across all parks, and actively carrying out online and offline educational activities for mental health awareness, as well as diverse mental health care activities. In 2024, the Company organized a total of 49 mental wellness events, offering employees more opportunities for self-discovery.



Psychological Counseling Room



Mental Health Care Event

Multi-dimensional family support system, strengthening the foundation of employees' happiness

Providing heartwarming support for employees' families, the Company has established a preschool center to offer dedicated childcare services for employees' children aged 0-6, helping staff achieve a harmonious balance between career and family. At the same time, we organize Parents Clubs and Silver Age Care programs for employees' parents, creating a personalized and compassionate multi-dimensional support network to build a warm haven for our employees' families.



Loving Childcare Service



Parents Club for Employees' Parents and Elders

Caring for female employees

Carried out a special Women's Day series of activities themed "Shine Bright, Blooming All the Way", including health salons, fitness classes, and art experiences. Offered women-only menstrual leave. Provided special amenities such as designated parking spots for pregnant women, breastfeeding rooms, dining rooms for pregnant women, and the "Loving Mom Cottage" - lounge for pregnant women (awarded the 5A Grade Honor in Guangdong Province). Organized health knowledge sharing sessions and online early childhood education activities for female employees, providing parenting tips and loving childcare services.



Parking Spot for Pregnant Women



Lounge for Pregnant Women & Nursing Room

Enriching employees' lives

The Company enhances employee happiness and satisfaction through a variety of activities. We actively organize diverse sports, arts, and literary events, as well as social gatherings and family-friendly activities. These initiatives provide employees with opportunities to connect, fostering a positive, united, and harmonious workplace environment. In 2024, we hosted over 1,000 employee events and 12 small to medium-sized evening parties, effectively promoting communication and collaboration among colleagues.

Parent-Child Sports Day

Parental companionship is the sunshine that nurtures a child's heart and a vital element of healthy childhood development. To further cherish this precious parent-child time, promote deeper emotional connections between employees and their children, and strengthen the cohesion and unity of the Company family, the Early Childhood Center of the CVTE Trade Union organized a unique "Rainbow Playground" Parent-Child Sports Day on November 23, 2024. Nearly 500 parent-child families enthusiastically participated in this event, creating warm and unforgettable family memories together.



Parent-Child Sports Day Scenes

Love Connects Us at Qixi" Series of Events

In the height of summer in August, the love of the Qixi Festival endures. In August 2024, during this romantic traditional festival, the Company thoughtfully organized a series of creative Qixi Festival activities for employees, including DIY sachet-making experiences, themed consultations, and signing events. On the Qixi Festival, the Company not only expressed care and warmth but also expanded employees' social networks, creating a vibrant and welcoming communication platform. This allowed everyone to feel the Company's human touch amidst their busy work and strengthen their relationships with one another.



Qixi Festival Event Scenes

Mid-Autumn Family Open Day Event

In the golden days of midsummer, and when spring blossoms turn into autumn harvests, CVTE employees come together to celebrate festive moments in happiness and harmony. In 2024, during the Mid-Autumn Festival, we organized family open day events at industry parks in Guangzhou, Xi'an, and other locations. Over 1,000 employees and their families participated, sharing a warm and joyful family reunion.



Family Open Day Event Scenes

Sports League

The Company encourages employees to embrace a healthy lifestyle through active participation in sports. In 2024, the Company hosted a variety of sports leagues, including basketball, soccer, badminton, table tennis, billiards, marathons, and swimming, attracting around 1,300 participants. In gyms, yoga studios, rehabilitation classes, and various club activities, CVTE employees and like-minded friends work side by side, sweating together and healing life with their passion.



Sports League and Group Class Scenes

Talent Training and Development

The Company has established and implemented internal talent training and promotion systems, such as the CVTE Job Grade Management Specification, and continuously improves the training system to support the skill enhancement and career development of all employees, helping them grow and succeed.

Career development channels

We have established a "dual-channel" promotion system, offering different career development paths for managers and professionals to ensure all employees, regardless of their roles, have equal opportunities for advancement. To better support the growth of our internal personnel, employees can apply for internal transfers based on their career plans, allowing them to leverage their strengths in areas they are interested in. At the same time as promotion, employees and their managers collaboratively develop an Individual Development Plan (IDP), providing important guidance for future skill enhancement and growth. In 2024, a total of 2,356 individuals applied for professional rank certification.

The company has also established a comprehensive, standardized, and scientifically grounded professional title evaluation system to provide a clear path and assurance for title advancement. This system fosters the development of highly skilled professionals with strong innovation capabilities, delivering robust talent support for the Company's growth. In addition, through professional title evaluations and related initiatives, we encourage employees to engage in innovation based on their roles and build a positive atmosphere for creativity, thereby promoting technological innovation and product development. As of now, the Company has over 800 nationally recognized technical professionals, including more than 100 senior-level experts.



Education and training

The Company views talent as the core driver of sustainable corporate development. Upholding the core philosophy of "talent-driven development", the Company has established a comprehensive talent management system encompassing "selection, development, utilization, and retention", integrating employee growth deeply into the Company's sustainable development strategy.

To aling with the Company's development and meet employees' comprehensive growth needs, we have established a "Three-Dimensional Empowerment" training system that covers everything from campus recruits to management. This system provides foundational skills training to strengthen professional competencies, professional skills training to enhance job competence, and customized role-specific training to improve person-job fit. These efforts accelerate employees' professional growth and help the Company build sustainable momentum for ongoing development:

University Graduate Training Camp

CVTE Fresh Graduate Training Program focuses on three core modules: foundational competencies, general capabilities, and job-specific skills. Combining online and offline formats, it prepares new hires through pre-onboarding warm-up, onboarding intensive training, face-to-face interactions with executives, Q&A sessions with the founding team, development of high-potential talents, one-on-one mentoring, and practical job training. The program aims to deepen new employees' understanding of the Company and colleagues, helping them quickly adapt to their roles and successfully transition into their positions.

Management Talent Development

The "Virtue" Series Management Training (Enlightening virtue, clarifying virtue, practicing virtue, and regulating virtue) is a systematic training program designed for new middle and frontline managers. Centered around the "OMO Learning, Practice, Assessment" training system, it aims to develop new managers at different levels, helping them build foundational management understanding, master essential management skills, and drive rapid team and business growth. In 2024, we conducted seven sessions of the "Virtue" training series, reaching 262 participants, with an average NPS score of 95%.



Professional Skills Training & Technology Sharing

To ensure colleagues master the essential professional skills for their roles, the Company has developed specialized courses tailored to different positions. Additionally, to foster a culture of tackling challenges and innovating, the Company regularly organizes various technology sharing sessions to promote internal knowledge exchange and the sharing of experience and achievements.

Other Training Courses

The Company closely monitors evolving market trends and cutting-edge technological developments, and conducts training sessions for all employees or specific groups as needed. This includes a series of AI learning and training courses launched by CVTE - WA & AI Research Center to support employees' exploration and growth in the AI field.

In terms of talent training mode, the Company has deeply integrated the OMO (Online-Merge-Offline) concept by establishing an online digital learning platform. The platform hosts over 8,000 standardized courses, fully meeting employees' needs for flexible, fragmented learning. Meanwhile, the Company focuses closely on business scenarios, conducting in-person practical training, case discussions, and other in-depth training activities to continuously build an open knowledge ecosystem. The Company also embraces the philosophy of mutual teaching and learning, actively encouraging employees to register and become certified instructors, creating a strong and positive learning environment. As of now, nearly 1,500 people have been certified as mentors, including 143 experienced outstanding employees who have registered as instructors on the "C-Know" learning platform, helping the Company's development into a more advanced learning organization.

In 2024, all employees participated in various forms of learning and assessments, with a training coverage rate of 100%. A total of over 8,000 training sessions were organized, accumulating more than 450,000 hours of training, averaging over 67 hours per person. Additionally, more than 2,300 specialized training sessions were conducted in fields such as R&D, sales, supply chain, and quality.

In addition, the Company encourages all employees (including part-time and contract staff) to pursue professional certifications and academic advancement. In 2024, the Company successfully helped four employees upgrade their education and received the Guangdong Province frontline worker education subsidy.

New Employee Onboarding Training

For new graduates joining the Company in 2024, we have developed a comprehensive career toolkit for campus recruits. This includes a two-week full-time training program, complemented by a variety of engaging activities such as alumni sharing sessions, face-to-face meetings with industry experts, conversations with company founders, and hands-on team-building exercises. The training covers topics like safety awareness, professional etiquette, and essential skills to enhance new employees' learning experience and overall development. After new hires joined their respective departments, the company also assigned one-on-one mentors to provide continued support. These mentors offered guidance through professional skills training, job rotation opportunities, and practical on-the-job experiences—helping new employees move beyond the novice stage and grow into the best versions of themselves.



Diversity, Equality, and Inclusion

The Company strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations protecting workers' rights, and has established and implemented internal policies such as the Employee Handbook, Incentive System, and Benefits System to continuously standardize employment management, optimize the talent structure, and ensure open communication channels, with a strong commitment to protecting the rights and interests of all employees. The Company has also established a diverse compensation and benefits system and incorporated employee diversity considerations into management performance evaluations, promoting steady progress in developing a diverse talent pool and enhancing overall competitiveness. In 2024, the Company was jointly recognized by five organizations—the All-China Federation of Trade Unions, the Ministry of Human Resources and Social Security, the National Health Commission of the People's Republic of China, the China Enterprise Confederation/China Entrepreneur Association, and the All-China Federation of Industry and Commerce—as a "National Case of Building Family-Friendly Workplaces". This highlights our pioneering role in safeguarding employees' rights and our unwavering commitment to fostering harmonious labor relations.

Labor standards

The Company strictly adheres to domestic and international labor laws and conventions, including the Provisions on the Prohibition of Using Child Labor, International Labor Standards, and core conventions of the International Labor Organization (ILO). It has established and rigorously implemented the Human Resources Management System and the CVTE Statement on Protecting Labors' Rights, clearly outlining policies to prohibit child labor, forced labor, workplace discrimination, and harassment, all aimed at safeguarding workers' rights. If any incidents involving child labor, forced labor, or other labor rights violations occur, both internal and external stakeholders may report through open channels, and the Company will ensure appropriate resolution.

In 2024, the Company achieved a 100% labor contract signing rate with employees and reported no incidents of child labor, forced labor, workplace discrimination, or harassment. Over the past three years, there have been no collective employee strikes, major layoffs, or significant labor disputes related to mergers, acquisitions, or reorganizations affecting employees.

Talent structure

The Company upholds a fair and equitable employment philosophy, continuously optimizing its talent structure while firmly opposing any form of discrimination based on gender, race, religion, age, nationality, or health status. We strive to foster an inclusive, diverse, and harmonious working environment. In 2024, the Company was awarded multiple employer honors, including "Liepin 2024 Extraordinary Employer", "Maimai 2024 Top Employer Worth Joining", "Haitou.com 2025 Most Influential Employer", and "Zhaopin 2024 China Best Employer".

The Company actively expands its talent recruitment channels. In addition to traditional methods such as campus recruitment and social recruitment, it is also exploring innovative approaches like “live streaming job fairs”, “virtual presentations”, “campus buses”, and “campus headhunting”. The goal is to build a diverse and well-structured talent pipeline through multiple recruitment strategies, fueling the Company's ongoing growth and development. As of the end of the reporting period, the Company had a total of 6,693 employees. For more detailed information on the talent structure, please refer to the Appendix Key Performance Indicator Table.

In addition, the Company is committed to fostering an inclusive and diverse culture, providing equal employment and promotion opportunities for every employee. By the end of the reporting period, women made up 25.29% of the junior management team, 20.47% of the middle management team, and 26.32% of the senior management team. There are 321 women in STEM⁸-related roles, accounting for 4.8% of the total workforce. Additionally, 125 women hold management positions in revenue-generating functions, representing 1.9% of all employees.

Employee Category		Headcount (people)	Proportion
By gender	Female	1,898	28.36%
	Male	4,795	71.64%

⁸STEM, short for Science, Technology, Engineering, and Mathematics. STEM positions refer to jobs that involve specialized work in the fields of science, technology, engineering, and mathematics.

Democratic communication

We are dedicated to building a diverse, open, and accessible democratic communication mechanism, ensuring smooth communication channels for employees, and firmly safeguarding their right to voice opinions and suggestions regarding daily operations, management, compensation, benefits, and more. As of now, the Company has established a total of 14 labor unions, with a 100% membership rate among the units that have formed unions.

The Company actively builds a regular communication bridge. In 2024, the labor union organized activities such as "Union Chairperson Reception Day" and employee exchange forums, and vigorously promoted the union mailbox, dedicated to continuously listening to employees' voices. Additionally, the Company encourages departments to independently engage in "criticism and self-criticism" as well as various forms of communication and exchange activities. The goal is to promote active idea-sharing among employees, foster mutual listening and understanding, and encourage them to offer suggestions for the Company's development and management improvements, thus creating an atmosphere of positivity, cooperation, and continuous improvement.

In 2024, we launched the "Woodpecker Program", a special campaign that solicited nearly 2,000 comments and suggestions from employees. We carefully screened, researched, and conducted interviews based on the feedback, thoroughly analyzing nearly 400 issues, and provided timely feedback to employees. Over 200 key issues were effectively resolved, demonstrating the Company's commitment to addressing employee concerns.

Since 2013, the Company has conducted annual employee satisfaction surveys through questionnaires and interviews, covering dimensions such as vitality, organizational support, and related influencing factors, including but not limited to compensation and benefits, workplace atmosphere, growth opportunities, management support, sense of achievement, and stress levels. Currently, the Company has successfully automated the employee satisfaction survey process online, with an annual questionnaire response rate exceeding 90%. By thoroughly analyzing survey data and incorporating interview insights, we prepare a research report. Based on the report results, we develop a layered improvement plan that covers key areas such as cross-organizational collaboration, process efficiency improvement, resource and tool optimization, and management personnel deployment. We also continuously monitor the progress of these improvements.

In 2024, the employee satisfaction survey response rate reached 99.1%. The results showed employee vitality and organizational support scores of 4.44 and 4.38 out of 5, respectively, both improving further from the previous year.

Occupational Health and Safety

The Company places great importance on employees' occupational health and safety, continuously improves its safety management system and enhances safety management capabilities to create a safe working environment for employees. In compliance with laws, the Company pays work-related injury insurance for employees and purchases employer liability insurance and public liability insurance to safeguard employees’ occupational health and lives. In 2024, the Company paid RMB 5.69 million for employee in work-related injury insurance premiums and nearly RMB 900,000 in employer and public liability insurance.

Safety management system

The Company strictly adheres to occupational health and safety laws and regulations such as the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, and has established and implemented safety management standards including the Gas Safety Management Specification, Hot Work Safety Management Specification, and Electrical Safety Management Specification, which clearly define safety management operation procedures and effectively standardize day-to-day safety management.

The Company has established an employee health and safety management organizational structure with the Board of Directors as the highest responsible body. It focuses on strengthening and improving the three key elements of "people, equipment, and management". The safety philosophy of "full participation, continuous improvement, safety first" is integrated into all safety efforts. Additionally, ongoing hazard identification and mitigation efforts are conducted to identify and address health and safety hazards. At the same time, we set a safety management goal of "zero" safety incidents and evaluate the achievement of this goal every year. Currently, several subsidiaries under the Company have completed ISO 45001 occupational health and safety management certification.

Safety incident investigation

The Company has established a comprehensive occupational health and safety investigation procedure. To effectively reduce and eliminate occupational health and safety risks, we regularly conduct inspections and assessments of safety hazards. Using the job condition preliminary hazard analysis method (also known as the "LEC method"), we conducted risk identification, evaluation, and classified control, and formulated emergency response plans for identified risks, with priority given to corrective actions for high-risk issues. In addition, we regularly monitor the progress of the corrective actions to ensure that each measure is effectively implemented.

If work-related injuries, health issues, illnesses, or incidents occur, we will use a combination of qualitative and quantitative methods to assess the severity of the production operations and on-site incidents. Based on the assessment results, we will analyze the causes of the incidents, develop appropriate corrective actions, and promptly issue incident reports. At the same time, we require the responsible department to submit a quick report within a designated timeframe after the incident occurs and to report it in the incident system. In the event of serious safety incidents such as fatalities or Level 1 fire incidents, immediate reports should be made to the public security bureau, fire brigade, and emergency management authorities. We also regularly review the relevant safety risks afterward to minimize and prevent similar incidents from happening again. During the reporting period, the Company did not experience any industrial safety incidents.

Digital safety management

To enhance its safety management capabilities and build an efficient, intelligent safety operations system, the Company is actively advancing the digital transformation of safety management. Several digital management systems have been deployed to significantly improve the precision and intelligence in our safety management. The main systems currently deployed and in use include the Hidden Hazard Correction System, Incident Notification System, Contractor Onboarding Training System, and Smart Fire Safety System.

Incident Notification System

This system focuses on rapid response and timely reporting. When a safety accident or incident occurs, it automatically sends notifications to relevant personnel immediately, ensuring information reaches them promptly. This helps facilitate emergency response and incident management, saving valuable time and reducing the impact of the incident.

Hidden Hazard Correction System

This system aims to achieve a closed-loop and intelligent approach to hazard management. Through a digital platform, it systematically tracks the entire process of hazard identification, correction, and verification. It also features regular reminder functions to effectively prevent oversight in hazard corrections.



Hidden Hazard Correction System

Contractor Onboarding Training System

To standardize contractor safety management and improve training efficiency, the Company has launched a contractor onboarding training system. This system enhances training efficiency for contractor personnel, avoids duplicate training, and enables centralized management of training resources.

Smart Fire Safety System

To strengthen fire safety management, the Company has gradually implemented a smart fire safety system that allows real-time remote monitoring of key fire safety equipment in certain parks. This helps to keep track of the operational status of fire safety devices, enhances the headquarters' oversight of fire safety across all parks, and provides robust technical support for fire safety management.



Smart Fire Safety System

Safety education

In 2024, the Company organized a total of 138 safety training sessions for employees, covering construction safety, electrical safety, special equipment safety management, gas safety, hazardous chemicals safety, safety incident awareness, and fire safety. Over 12,000 participants attended, with a total training time exceeding 15,000 hours. Safety training coverage reached 100%.

Offline Safety Awareness Campaign

In 2024, the Company organized various offline safety awareness activities, including 119 fire safety campaigns, firefighting competitions, and traffic safety events. Additionally, 35 safety articles and posters were published on the Company's internal communication platform, effectively enhancing employees' safety awareness.



119 Fire Safety Campaign



Fire Truck Usage

Emergency management

In 2024, the Company further improved its emergency response plans and regularly conducted specialized inspections in areas such as electrical, safety, fire prevention, gas, construction, and flood control. These inspections will cover all industrial parks, parks under constructions, leased office spaces, and more.

Emergency Drill

In 2024, the Company conducted a total of 200 emergency drills, covering gas leak responses, confined space operation incidents, elevator rescues, electric vehicle fires, and flood prevention exercises.



Typhoon and rainstorm emergency drill



Elevator rescue drill

Rural Revitalization and Community Public Welfare

CVTE always considers fulfilling social responsibility as a vital mission for its development, continuously creating social value. By in-depth integration of business expertise and social welfare, the Company integrates its expertise with social good supports the advancement of educational informatization and equity, optimize the allocation of educational resources, and bring fresh vitality to education development in rural and remote areas. Meanwhile, the Company encourages employees to actively participate in volunteer activities, from community care to rural assistance, spreading warmth and hope. These efforts contribute to rural revitalization and community development, demonstrating corporate responsibility through tangible actions and adding strength to social progress.

Rural Revitalization

Seewo Public Welfare Activity

Since 2016, the Company has been driven by the inspiring vision of "Enabling every child to enjoy equitable and quality education", launching the Seewo Public Welfare Activity. Over the years, the Company has upheld a dual-way-parallel public welfare approach—donating digital devices and enhancing teachers' digital teaching capabilities—carrying out a series of effective programs, including the Teacher Growth Program, the Thousand-Mile Classroom Public Welfare Program, the Seewo Teacher Digital Capability Enhancement Support Project, and the Seewo Xingtan Program. These efforts have effectively promoted the sharing of educational resources between urban and rural areas and have played a vital role in fostering balanced educational development. In 2024, Seewo Public Welfare Activity invested approximately RMB 10 million. By the end of 2024, the total investment reached RMB 62.27 million , covering 31 provinces (including autonomous regions and municipalities) nationwide, benefiting over 57,000 teachers and 660,000 students.



Seewo Teacher Digital Capability Enhancement Support Project

From 2022 to 2024, in collaboration with the Department of Teacher Affairs of the Ministry of Education and the China Education Development Foundation, we launched the "Seewo Teacher Digital Capability Enhancement Support Project". During this period, we provided digital equipment, conducted both online and offline professional teacher training, and introduced digital capability enhancement courses for pre-service teachers. These efforts helped 160 key rural revitalization counties improve teacher quality through collaboration, and enhanced the digital teaching capabilities of pre-service teachers from 72 normal universities. We also donated and built 72 "Smart Classrooms for Pre-service Teacher Education Practice" and 160 "Smart Training Rooms". In addition, CVTE launched “digital literacy and competency enhancement” courses via the Seewo Academy Platform, attracting 370,000 participants, including pre-service teachers and primary and secondary school teachers. The courses have been accessed 289,000 times, with a total study duration of approximately 13,000 hours. Teachers and pre-service teachers from the project units have created over 25 million digital lesson plans using seewo’s lesson preparation software and recorded more than 330,000 micro-courses. This effectively translates digital capability into teaching outcomes, greatly enhancing teaching efficiency and quality.

"Teacher mentoring teachers" Teacher Professional Development · Seewo Xingtan Program

Seewo Xintan Program innovatively carries out the "Teacher mentoring teachers" teacher training model through a technology-driven integrated subject training system. It invites teachers from well-developed educational regions to train educators in resource-scarce areas, empowering their professional growth. By the end of 2024, the Seewo Xingtan Program has trained 1,676 Xingtan mentors nationwide, helping over 200,000 teachers improve their digital application capabilities.



Xingyuan · Early Childhood Basketball Special Fund

To improve the shortage of physical education teachers, outdated teaching methods, and lack of sports activities for children in rural areas, in 2024, CVTE Public Welfare, in partnership with Beijing Yao Foundation Public Welfare Fund, established the "Xingyuan · Early Childhood Basketball Special Fund". Using basketball as a platform, the fund will donate basketball equipment to remote rural schools, conduct sports teacher training, organize county leagues and national competitions, and support early childhood basketball initiation activities in rural kindergartens to promote early childhood development. In 2024, we donated basketball equipment to 10 rural kindergartens in Yangshan County, Qingyuan City, and held in-person sports teacher training sessions. We provided training for nearly 150 teachers across 66 local kindergartens, helping to improve the physical education teaching skills of rural preschool teachers.



In-Person Teacher Training



Donate Basketball Equipment

“Vitamin C Children Safeguard” Public Welfare Campaign

To address the mental and physical well-being of left-behind children in rural areas, CVTE Public Welfare launched the "Vitamin C Children Safeguard" public welfare campaign in June 2023. Through the "Vitamin C Healthy Dinner" program, health education, a worry-relief mailbox, and lighting up micro-wishes and other volunteer service initiatives, they provide ongoing support to improve the quality of dinner meals for rural students and help establish positive health awareness. In 2024, we provided 45,000 healthy dinners to nearly 500 boarding students in rural schools. We also held mental health seminars such as "Say No to School Bullying" and "Be the Master of Your Emotions", organized nearly 100 volunteers for visitation activities, and helped fulfill 169 micro-wishes.



Vitamin C Healthy Dinner



Home Visit to the Family of Beneficiary Students

From January to March 2024, we also organized the "Walk Together to Light Up the Stars" public welfare activity, with a total of 2,560 employees participating and a combined distance of 463,000 kilometers. At the appreciation and recognition meeting, CVTE Health collaborated with CVTE Public Welfare to donate funds to the "Vitamin C Healthy Dinner Program" in the name of the top 50 teams and the top 500 individuals.



Elderly Care Activities by Vitamin C Volunteers

In October 2024, CVTE Party Committee, CVTE Trade Union, and CVTE Public Welfare jointly launched a volunteer service activity themed "Warmth for the Elderly Home, Passing Down the Love for the Elderly", organizing the Vitamin C Volunteer Service Team to visit Longtoushan Elderly Home to bring warmth and care to the seniors.



Employee Blood Donation Activity organized by the CVTE Trade Union

In July 2024, CVTE Health, CVTE Trade Union, CVTE Public Welfare, and CVTE Party Committee jointly held a themed blood donation campaign, "Hot Blood Shapes Youth, Youth Toward the Future". A total of 210 passionate volunteers participated in the event, donating a total of 45,800 milliliters of blood, helping to light the hope of life for many in need.



03 Governance Part

Governance is the cornerstone of corporate development. In a complex and ever-changing business environment, a sound governance structure and transparent management mechanisms are essential to ensuring steady and sustainable progress. CVTE consistently upholds integrity, transparency, and efficiency as its governance principles. It continuously improves its corporate governance structure, enhances decision-making efficiency, and ensures the Company's operations are compliant and sustainable. In the governance chapter, we will share our company's practices in corporate governance, risk management, anti-bribery and anti-corruption efforts, as well as the protection of intellectual property and trade secrets, showcasing our dedication to and pursuit of excellence in governance.

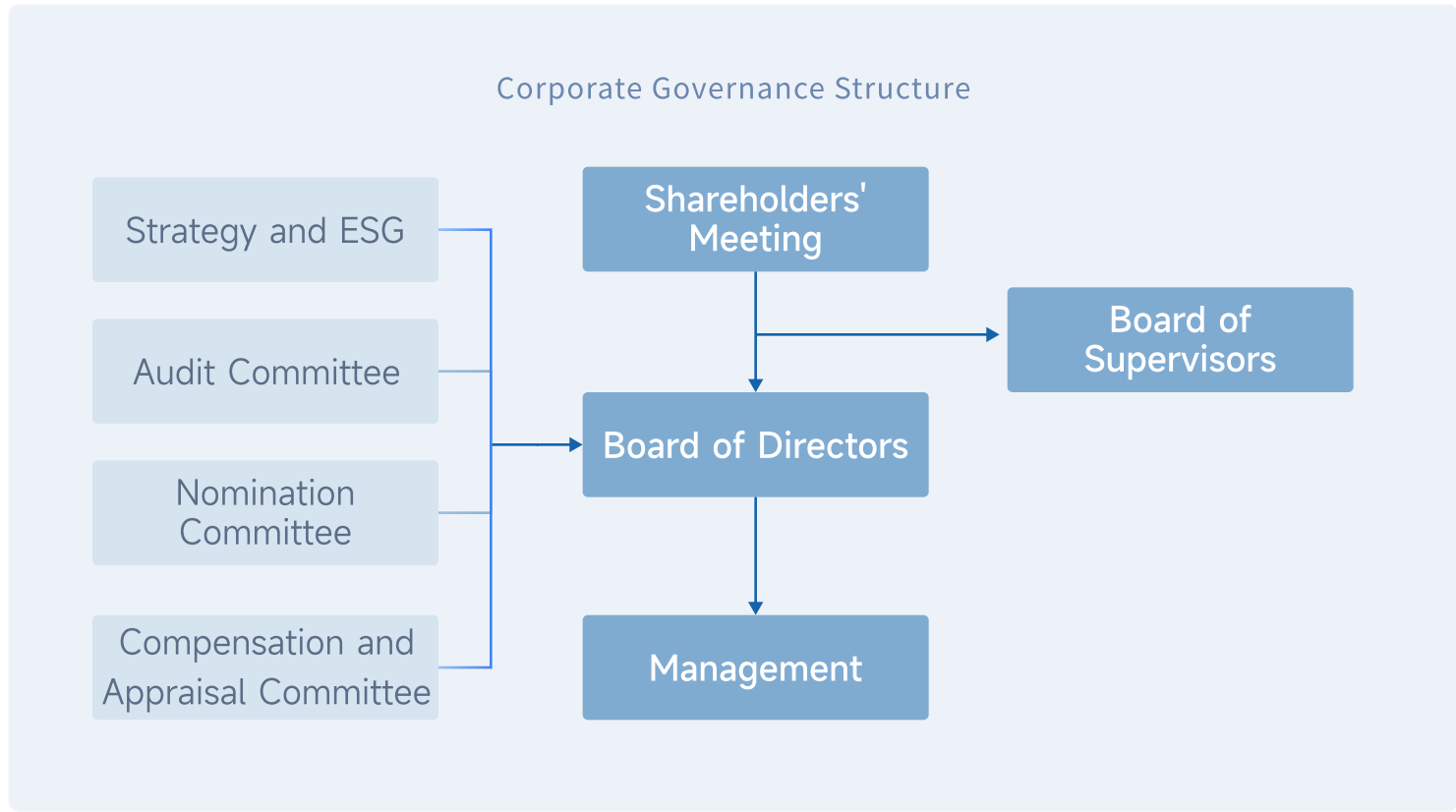


Sound Corporate Governance

The Company strictly complies with laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and the Shenzhen Stock Exchange Listing Rules, continuously revises and improves internal regulations including the Articles of Association and the Rules of Procedure for the Board of Directors, and establishes a transparent and efficient governance framework to constantly enhance its standardized operations. Also, the Company continuously improves its shareholder rights protection mechanisms, discloses information promptly and accurately in accordance with regulatory requirements, and strengthens investor relations management, providing solid support for enhancing corporate governance.

Governance Structure

The Company has established an operation mechanism, with the shareholders' meeting as the highest authority, the Board of Directors as the decision-making body, the Board of Supervisors as the supervisory body, and the management as the executive body. Under this mechanism, each governing body carries out its work according to its responsibilities. Through the proper distribution and checks and balances of power, they work together collaboratively while also supervising and restraining each other, effectively ensuring the Company's sound decision-making and efficient governance.



The Company's Board of Directors has established four specialized committees: the Strategy Committee, the Audit Committee, the Nomination Committee, and the Compensation and Appraisal Committee, each with its own set of detailed working rules. Each committee performs its duties and assists the Board of Directors in carrying out related work, working together to promote the Company's efficient and compliant operation. The Company's Audit Committee, Nomination Committee, and Compensation and Appraisal Committee are mostly composed of independent directors who serve as conveners. The convener of the Strategy Committee is the chairman of the board.

During this reporting period, the Company held

4	7	6	1
shareholders' meetings	board of directors meetings	board of supervisors meetings	strategy committee meeting
8	3	4	
audit committee meetings	nomination committee meetings	compensation and appraisal committee meetings	

The Company places great importance on diversity in its board development, striving to enhance the variety of perspectives among board members in terms of gender, experience, qualifications, and professional backgrounds. The board members come from a range of academic fields including information engineering, business management, finance and accounting, and legal compliance. As of the end of the reporting period, the Company's board of directors is composed of nine members, including three independent directors, one female director, one accounting professional, four with doctoral degrees, and two with extensive risk management experience.

In addition, the Company actively provides board members with various professional skills development and compliance training, covering topics such as national policies, securities regulations, and specialized training on environmental and social issues (e.g., climate change), to effectively enhance their compliance awareness and ability to perform their duties.

Investor Rights and Interests

Prioritizing shareholder returns and sharing the fruits of development

The Company firmly adopts a shareholder-centric philosophy, fully leveraging measures like cash dividends to share the Company's development benefits with all shareholders. Since going public, the Company has consistently provided stable and sustainable cash dividends in accordance with the profit distribution policy outlined in the Articles of Association. From 2020 to 2023, the Company's annual cash dividend payout as a percentage of net profit attributable to shareholders of the listed company has remained stable at over 35%.

Information disclosure

The Company strictly adheres to regulatory requirements such as the Administrative Measures for Information Disclosure by Listed Companies and the Shenzhen Stock Exchange Listing Rules. It has developed and implemented the Information Disclosure Management System, which clearly defines the information disclosure framework, where the Board of Directors serves as the overall leader and manager of the Company's information disclosure work, the Chairman is the primary person responsible for information disclosure, while the Board Secretary is responsible for managing the information disclosure process. The Company discloses relevant information in a true, accurate, complete and timely manner through multiple channels such as the Shenzhen Stock Exchange's designated service platform and CNINFO, to ensure that all shareholders have equal access to company information. This aims to fully protect investors' interests and continuously enhance the transparency of the Company's information disclosure. According to the 2023-2024 Information Disclosure Evaluation Results for Main Board Listed Companies published by the Shenzhen Stock Exchange, the Company continued to receive the highest rating of A for information disclosure in 2024.

Investor communication

The Company values maintaining good communication with investors. It has established and implemented the Investor Relations Management System, and regularly receives investor inquiries and listens to their comments and suggestions through channels such as the Investor Hotline (020-32210275) and the Investor Relations email (shiyuan@cvte.com).

In addition to traditional methods such as disclosing regular reports, interim announcements, and responding to investor hotlines, the Company actively innovates its investor communication approach and proactively enhances communication and engagement with investors. During the reporting period, the Company organized multiple investor open days, inviting investor representatives to personally experience the Company's technological innovations and engage in in-depth discussions with management. In addition to actively responding to investor questions on the Interactive Easy platform, the Company also established the "CVTE Investor Relations" WeChat Official Account, the "CVTE IR" applet, and official accounts on major investor forums as part of its new media outreach. These efforts aim to provide investors with more precise, efficient, and personalized services.

Strengthening Risk Management and Control

Effective risk management and control is key to ensuring the Company's stable operation and sustainable development. The Company is dedicated to building a comprehensive and scientific risk management and control system to accurately identify and effectively respond to various internal and external risks, ensuring the steady and sustainable growth of the business.

Risk Management and Control System

The Company continuously improves its risk and compliance management system, establishing a primary risk framework centered around five key areas: strategic risk, market risk, financial risk, operational risk, and legal risk. Based on this, we conduct risk assessments for secondary risks such as corporate governance risk, environmental protection risk, health and safety risk, climate change risk, human resources risk, intellectual property risk, and confidentiality risk, and further identify and refine tertiary risks. For major tertiary risks, we have also established a full-process risk monitoring mechanism that includes early warning, in-process control, and post-event review to ensure that risks remain under control.

In addition, the Company continuously improves its ESG risk management system. Under the guidance of the Board of Directors, the ESG working group consistently monitors ESG-related risks and develops appropriate risk mitigation plans. They constantly integrate core ESG principles and standards into the Company's overall risk management framework, ensuring ESG risk controls are embedded into the broader risk management strategy to support sustainable business development.

To ensure effective risk management, the Company has established a “Three Lines of Defense” risk control framework. The Chief Risk Officer regularly reports the risk management progress to the CEO and the Board of Directors, ensuring that the management team is aware of the Company's risk management performance and can make timely decisions.

The First Line of Defense	Each Business Group	<ul style="list-style-type: none">Responsible for executing risk control procedures and implementing risk response measures.
The Second Line of Defense	Risk Control Center	<ul style="list-style-type: none">Responsible for promoting and overseeing the effective implementation of risk control processes and response measures.
The Third Line of Defense	Audit Department	<ul style="list-style-type: none">Carry out annual risk management activities.Identify internal and external risk factors that could impact the Company's ability to achieve its sustainability goals.Assess the effectiveness of risk levels and related control activities.Responsible for promoting the development of risk control systems and policies.Evaluate and improve the benefits of the Company's risk management through systematic methods.

Risk Control Compliance Management

The Company has established a comprehensive risk control management closed-loop mechanism. In response to risks such as market volatility, changes in the economic environment, regulatory adjustments, and other uncertainties, the Company performs risk identification, assessment, and corresponding response measures, while reporting risk dynamics upward. The risk control center and audit department jointly oversee the implementation by relevant departments, so as to ensure that risk management efforts are precise, efficient, and well-organized.

Risk identification

Every year, based on the Company's value chain, from the five dimensions of strategy, market, finance, operation and law, a risk list is identified through strategic objective sorting, value chain analysis, business process analysis, and classification analysis.

Correction supervision

The risk control center and the audit department jointly supervise the implementation of corrective measures by relevant responsible departments, and assist responsible departments to improve the risk control system; The Company regularly analyzes the effectiveness and rationality of the developed risk response strategies and makes timely adjustments.



Risk response

Based on the risk assessment results, match appropriate response strategies to different risk levels and urge the relevant responsible departments to develop corrective action plans.

Risk report

Summarize the risk points, and form a report on the management status of the risk evaluation system; If significant risks or deficiencies are identified, the audit department will report directly to the Audit Committee or the Board of Directors.

Risk assessment

Based on the risk list, the Company analyzes the risk causes and existing control measures, calculates risk values and sensitivity, and assesses the likelihood and impact degree of each risk to determine its level. This process ultimately forms the Company's risk heat map.

The Company regularly conducts risk control and regulatory compliance management in areas such as audit, job separation review, subsidiary control, seal management, and fund management.

Regular audit	The Audit Department regularly conducts special audits across various areas including, but not limited to, R&D, marketing, supply chain, expenses, assets, and infrastructure. If internal control deficiencies are identified during the audit, the department assists the audited units in improving their internal control systems. Additionally, the Audit Department regularly conducts risk assessments across various business areas to promptly assist departments in strengthening their risk control matrix within their respective fields.
Job separation review	Cashiers are separated from the duties of auditing, keeping accounting archives, and registering claims and debts; the duties of the internal audit department and the finance department are separated; the official seal, financial seal, legal person seal and bank account operation are kept and performed by employees of different positions respectively; the kinship between the seal management personnel and the actual controller, director, supervisor and senior executive is separated.
Subsidiary control	Manage and supervise aspects such as shareholder rights and obligations, business policies, investment plans, and key personnel appointments and removals of subsidiaries in accordance with systems like the Administrative Measures for Subsidiaries of Guangzhou Shiyuan Electronic Technology Company Limited.
Seal management	The Company adopts the authorization and hierarchical approval system for its official seal, and formulates the Seal Management System to stipulate the approval and registration processes of the seal.
Fund management	By continuously strengthening the review of fund account, approval and transfer of external funds, use of raised funds and idle funds and other aspects, the Company aims to minimize risks related to fund management.

In addition, the Company places a high priority on ESG risks arising from factors such as climate change, social shifts, and policy transitions. Referencing the World Economic Forum's (WEF) Global Risks Report 2024, and considering the Company's specific business characteristics, we regularly conduct identification and assessment of emerging risks.

This year, after a comprehensive review of the Company's strategic plan and the development status of various businesses, we identified two long-term emerging risks with significant potential impact on business development: international trade friction risk and AI technology risk. We have proactively implemented positive risk mitigation measures to reduce the potential impact of related risks.

Emerging risks	Potential impact	Response measures
International trade friction risks	Due to geopolitical tensions and uncertainties surrounding policy changes in various countries, international trade barriers are fluctuating, and commodity prices are rising. As the Company's international expansion progresses, it may face challenges such as market demand fluctuations, unstable supply of key raw materials and components, and export restrictions.	<ul style="list-style-type: none">Develop a diversified market strategy, expanding into different regions to spread risk and reduce reliance on a single market.Optimize the supply chain and localize the layout to ensure a diversified sourcing of critical components and raw materials, reducing the risk of supply disruptions caused by changes in trade policies in specific regions.Strengthen compliance management and risk warning to ensure that the Company's operations adhere to the legal and regulatory requirements of the target market.Strengthen international cooperation and communication, and stay closely updated on policy developments.

Negative risks of AI technology	AI technology is transforming the way society produces and lives, with impacts spanning economics, ethics, employment, and security. As a tech company, relying on emerging technologies including AI for product innovation, we may face potential risks such as social and ethical issues, as well as data security and privacy concerns.	<ul style="list-style-type: none">Establish legal standards and ethical review mechanisms to ensure that the application of AI technology complies with societal morals and legal regulations. For example, in algorithm design, avoid discriminatory factors to ensure fairness and transparency in AI decision-making.Data security and privacy protection: Establish and improve mechanisms for data security and privacy to ensure the security and confidentiality of user data.
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Standardizing Business Conduct

The Company is built on integrity, strictly adhering to the rule of law and compliance bottom lines. It focuses on key areas such as anti-commercial bribery, anti-corruption, and the protection of intellectual property and trade secrets, to establish a comprehensive and multi-layered system for standardized business operations.

Public Reporting Channels

- Report hotline

+86(020) 8615 4552
- Report email

jicha@cvte.com
- Mailing address

CVTE Risk Control Center, No. 6, Yunpu 4th Road, Huangpu District, Guangzhou, Guangdong, China

Anti-Commercial Bribery and Anti-Corruption

The Company remains committed to the principle of integrity in business operations, continuously improving its anti-corruption system, actively promoting a culture of integrity, and regulating the commercial activities of employees, suppliers, and other partners to foster a fair and honest business environment.

Consolidating integrity building

The Company strictly adheres to the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and other relevant laws and regulations of the jurisdiction where it operates. It has established and implemented internal systems such as the Integrity System, Employee Handbook, Employee Interest Conflict Management System, and Code of Conduct for Business Ethics. The Company clearly communicates expectations and code of conduct to all stakeholders regarding anti-corruption, anti-discrimination, anti-harassment, information security protection, and misconduct reporting. The Company regularly conducts conflict of interest declarations covering all employees, core customers, and suppliers to comprehensively regulate the business conduct of all stakeholders.

To continuously improve the effectiveness of the anti-corruption system, the Company has established an discipline inspection and supervision team responsible for monitoring and inspecting the implementation of anti-corruption efforts, and regularly reporting on the progress to the Board of Directors to ensure that business ethics and compliance are properly upheld. Additionally, the discipline inspection and supervision team regularly collaborates with the risk control center, legal, and audit departments to thoroughly investigate and address complaints and reports related to violations of business ethics, ensuring that any breaches of ethical conduct are effectively handled.

To ensure effective implementation of the Company's policies on business ethics management, the Company regularly conducts business ethics and anti-corruption audits based on its specific business characteristics and risk assessments, ensuring coverage of all business operations at least once every three years. The Company also maintains open reporting channels and continuously improves mechanisms to protect whistleblowers, ensuring the ongoing effectiveness of its ethics management. During this reporting period, the Company did not experience any violations related to business ethics.

Creating an atmosphere of integrity

The Company actively fosters a culture of integrity and honesty, and conducts anti-corruption training and integrity awareness activities for all employees every year. These initiatives emphasize that accepting bribes or engaging in corrupt practices in any form is unacceptable, guiding all staff to strengthen their self-discipline and uphold ethical standards. The Company actively joined organizations such as the China Enterprise Anti-Fraud Alliance and the Guangdong-Hong Kong-Macao Greater Bay Area Corporate Integrity and Compliance Federation, dedicated to promoting the development of a culture of integrity and compliance. In 2024, the Company conducted a total of 51 activities, including integrity culture training, fraud risk training, learning at the integrity base, holiday posters, online articles, and external training sessions. These trainings on anti-corruption and integrity culture covered all employees, continuously strengthening everyone's awareness of integrity within the Company. During this reporting period, the Company did not encounter any issues related to employees violating integrity standards.

Building a comprehensive integrity education system that combines “precise outreach and ecosystem co-creation”

Layered penetrative training	<ul style="list-style-type: none">33 targeted sessions for high-risk departments such as R&D, Quality, and Marketing on preventing occupational crimes (reaching nearly 6,000 participants)The Company organized 37 themed integrity activities throughout the year, tailored to various scenarios and covering all employees100% of key position personnel received immersive warning education through on-site training at the integrity base
Dynamic warning network	<ul style="list-style-type: none">Establish a dual mechanism of "Node Warning + Routine Penetration": publish 7 original integrity-themed posts (total views: 5,436) and deliver 3 sets of customized warning posters at key time pointsBenchmarking, demonstration and leading: the Company awards the title of "Pioneer Department for Integrity and Honesty" to the Investment Department and four other departments
Ecological chain value output	<ul style="list-style-type: none">Conducted on-site visits to 18 OEMs and suppliers to build stronger partnershipsPromoted supply chain collaboration improvements, such as process compliance upgrades at OEMs

Anti-bribery management for Supplier

Promoting business ethics in the supply chain helps build an honest and transparent business environment. The Company promotes a transparent supply chain and continuously improves documents such as the Integrity Agreement and Supplier Onboarding Process Specification. All suppliers are required to sign an Integrity Commitment Letter alongside the contract and declare any conflicts of interest to ensure they are aware of the Company's business ethics requirements. The Company regularly publishes articles on the Sunshine Supply Chain official account to communicate its stance and bottom line on business ethics to suppliers. Additionally, the Company has established a reporting channel for improper benefits from suppliers. If any violations of integrity or laws and regulations occur, the Company will pursue accountability in accordance with legal procedures. During the reporting period, the Integrity Commitment Letter signing rate among suppliers reached 100%.

Intellectual Property and Trade Secret Protection

Intellectual property protection

The Company attaches great importance on the protection of scientific research achievements and strictly complies with relevant laws and regulations such as the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and the Trademark Law of the People's Republic of China. It has established a comprehensive intellectual property protection and management system, formulated and implemented internal systems including the Intellectual Property Management Manual, Intellectual Property Management Measures and International Patent Process Control Specification. These documents clarify the requirements and detailed procedures for intellectual property management. The Company continuously improves its intellectual property management system and has obtained the GB/T 29490-2013 certification for intellectual property management system.

Standardized Management	Intellectual Property Management Measures	Intellectual Property Incentive System	Intellectual Property Risk Control System
Implementation of the Enterprise Intellectual Property Management Specification Group Standard Committee	Patent Application Process Trademark Management Measures Technical Contract Management Measures Patent Application Document Drafting and Review Specification	Intellectual Property Incentive Measures Important Patent Incentive Measures	R&D Risk Control Process and Approval System Exhibition Risk Investigation System

In terms of intellectual property achievements, the Company filed over 1,600 new patent applications in 2024. By the end of 2024, the Company held more than 11,000 active patents, including over 2,000 invention patents, and more than 4,300 software copyrights and work copyrights. The Company and its subsidiaries, Guangzhou Shirui, have been recognized as a national intellectual property demonstration enterprise assessed by the China National Intellectual Property Administration. Guangzhou MAXHUB and Guangzhou Shikun have been awarded the title of intellectual property demonstration enterprises in Guangdong Province.

To stay at the forefront of intellectual property trends and enhance the team's professional skills. The Intellectual Property Department regularly conducts internal knowledge-sharing sessions and actively participates in compliance training organized by external authoritative organizations. These trainings cover areas such as open-source software compliance, trade secret protection, patent infringement disputes, patent invalidation procedures, and IP contract risk management, with a total of over 60 sessions held. By combining theoretical learning with experience sharing, we continuously hones the professional skills of team members.

Additionally, the Company has conducted over 80 training sessions on intellectual property for core departments such as R&D, business, and supply chain. The training topics include high-risk patent technology compliance management, trade secret compliance, open-source software compliance, supply chain control technology compliance, patent knowledge and search training, and licensing compliance training. These efforts help business units stay updated on the latest risk management regulations and enhance their ability to manage risks effectively.

Trade secret protection

The Company fully recognizes the importance of protecting trade secrets in maintaining core competitiveness and preventing unfair competition, and is committed to building a comprehensive, multi-layered trade secret protection system.

In terms of system construction, the Company has established internal management systems such as the Information Asset and Classification Control Procedure, Computer Control Procedure, and Trade Secret Control Procedure, supplemented by guiding documents like the Trade Secret Protection Guidelines and Trade Secret Infringement Risk Prevention Mechanism. These documents provide robust institutional safeguards covering information classification, access control, and risk alerts. In terms of process mechanism construction, the Company has established a comprehensive trade secret protection mechanism that covers the entire employee lifecycle, including onboarding, training, job transfers, and resignation. When new employees join, we conduct specialized training to clarify confidentiality obligations; during onboarding procedure, we have them sign a confidentiality commitment letter to reinforce responsibility; upon employee departure, we strictly follow the resignation audit process to prevent the leakage of trade secrets. In parallel, the company leverages advanced IT technologies to build a warning system for abnormal behavior in document issuing. When abnormal operations are detected, an alert is triggered immediately, and appropriate response measures are quickly implemented based on the actual situation, ensuring real-time dynamic protection of trade secrets.

In terms of employee awareness training, the Company has established a systematic and professional training framework to continuously strengthen employees' awareness of trade secret protection and integrate confidentiality concept into daily operations, becoming a behavior standard that all employees consciously follow. In 2024, the Company conducted a total of 14 specialized training sessions on trade secrets, covering legal regulations interpretation, judicial case analysis, leak scenarios , and key confidentiality points explanation, achieving full coverage of employees. Additionally, we tailor training programs based on confidentiality needs for different roles. This includes online foundational courses for all employees, exclusive online courses for interns and third-party contractors, and in-person small-group intensive training for key positions.

Appendix 1: Honors Received in 2024

Development quality		
Entity	Award	Issuing Organization
CVTE	2024 Top 500 Chinese Private Manufacturing Enterprises	All-China Federation of Industry and Commerce
	2024 Top 500 Chinese Manufacturing Enterprises 2024 Top 100 Chinese Large Enterprises in Innovation	China Enterprise Confederation China Entrepreneurs Association
	2024 TOP 100 Digital Economy & Real Economy Integrated Enterprises	China Enterprise Evaluation Association
	2024 Top 500 Private Enterprises in Invention Patents 2024 Top 500 Private Enterprises in R&D Investment	All-China Federation of Industry and Commerce
	Model Enterprise of Intelligent Manufacturing with New Quality Productive Forces	Boao Forum for Entrepreneurs
	China Commercial Display 15-Year Meritorious Enterprise Award	Commercial Display Branch of China Electronic Information Industry Federation Shenzhen Commercial Display System Industry Promotion Association
	Outstanding Listed Company in 40th Anniversary of Guangzhou Development Zone	Securities Times, New Fortune Magazine
	2024 China's Top 100 ESG Listed Companies	Securities Times
	2024 Guangdong Top 100 Innovative Enterprises	Guangdong Federation of Enterprises and Guangdong Entrepreneurs Association
	2024 Top 100 Guandong Electronic Information Manufacturing Enterprises	Guangdong Electronic Information Industry Association
Shirui Electronics ⁹	2024 Outstanding Case in National Education Innovation and High-Quality Development	Xinhuanet
Shizhen Electronic ¹⁰	Quality Leading Enterprise in China's Commercial Display Industry; National Product and Service Quality Integrity Demonstration Enterprise	China Association for Quality Inspection
	2024 21st Century [Golden Great Wall] Typical Case for New Quality Productivity Application	21st Century Business Herald

R&D and Innovation		
Entity	Award	Issuing Organization
Shirui Electronics	National Smart Education Platform Data Innovation and Application Competition - Outstanding Work	Center for Educational Technology and Resource Development of the Ministry of Education of PRC
	AI Education Base for Primary and Secondary Schools in Shanghai ¹¹	Office of the Leading Group for Digital Transformation in Shanghai's Education System
	2024 People's Craftsmanship Technology Award	People's Daily Online
	2024 Education Scenario Application Case of AI LLM	China Education Information Magazine
Shizhen Electronic	2024 Typical Audio-Visual System Cases	Ministry of Industry and Information Technology and others
	2024 Product Technology Innovation Guide	China Video Industry Association
	2024 People's Craftsmanship Product Award	People's Daily Online
	Audio-Visual System Product Innovation Award	Digital Audio-Visual Engineering Network
QSTECH ¹²	2024 SATIS Jury Special Award	Organizer of SATIS
	CX27COBLED Display Won 2024 Outstanding Product Award	HangJia Talk Display, HangJia Talk Industry Research Center

⁹Shirui Electronics is a subsidiary of CVTE, and its full name is Guangzhou Shirui Electronics Co., Ltd.
¹⁰Shizhen Electronic is a subsidiary of CVTE, and its full name is Guangzhou Shizhen Electronic Technology Co., Ltd.
¹¹This award was won by Shirui Electronics' subsidiary, Shanghai Shixi Intelligent Technology Co., Ltd.
¹²QSTECH is a subsidiary of CVTE, and its full name is QSTECH Co., Ltd.

Brand value		
Entity	Award	Issuing Organization
CVTE	TOP 30 Leading Chinese Brands in Global Expansion on the 2024 Forbes List	Forbes China
Shirui Electronics	AAA Well-Known Trademark Brand	China Trademark Association
Shizhen Electronic	2024 TOP10 Brands in Smart Conference Panels	Digital Audio-Visual Engineering Network
QSTECH	Education and conference all-in-one displays, and film/TV LED displays awarded the 2024 Influential Terminal Brand	HangJia Talk Display, HangJia Talk Industry Research Center
	2024 Outstanding Brand Award in the Large Screen Audio-Visual Industry	Projection Time
	2024 Top 10 LED All-in-One Brands	DAV01.com Digital Audio-Visual Engineering Magazine
	2024 Top 10 LED Outdoor and Advertising Display Brands	LEDP.HCZYW.COM

Employee hiring		
Entity	Award	Issuing Organization
CVTE	National Case of Family-Friendly Workplace Construction	All-China Federation of Trade Unions, Ministry of Human Resources and Social Security, and others
	Third Batch of Outstanding Cases in Healthy Enterprise Development	National Health Commission
	Key Workers' Book House Project of All-China Federation of Trade Unions	All-China Federation of Trade Unions
	2024 People's Enterprise Social Responsibility Practice Case Award	People's Daily Online
	2024 Guangzhou Model Worker and Craftsman Talent Innovation Studio	Guangzhou Federation of Trade Unions
	Maimai 2024 Top Employer Worth	Maimai
	Liepin 2024 Outstanding Employers	Liepin
QSTECH	Second Batch of Provincial Pilot Enterprises for Improving Employee Life Quality in Shaanxi Province	Shaanxi Federation of Trade Unions
Corporate governance		
Entity	Award	Issuing Organization
CVTE	2024 Top 20 GBA Listed Companies in Corporate Governance	Shenzhen Corporate Governance Research Association
	2024 26th Listed Company Golden Bull Award "Golden Disclosure Award"	China Securities Journal

Appendix 2: Key Performance Indicators (Environmental)

Energy Management				
Energy consumption metrics	Unit	2022	2023	2024
Direct energy consumption	Tons of standard coal	455.25	1,013.52	620.20
	kWh	3,704,216.82	8,246,741.34	5,046,353.89
Indirect energy consumption	Tons of standard coal	3,371.00	4,481.31	8,647.16
	kWh	27,428,804.32	36,463,062.70	70,359,335.58
Comprehensive energy consumption	Tons of standard coal	3,826.25	5,494.83	9,267.36
	kWh	31,133,021.14	44,709,804.04	75,405,689.47
Comprehensive energy consumption intensity	Tons of standard coal/RMB ten thousand of revenue	0.0018	0.0027	0.0041
	kWh/RMB ten thousand of revenue	14.83	22.16	33.66

Water Resource Management				
Water use indicator	Unit	2022	2023	2024
Water consumption	Ton	407,845.84	396,293.00	458,598.52
Water consumption intensity	Ton/RMB ten thousand yuan of revenue	0.1943	0.1965	0.2047

Waste Management		
Indicator	Unit	2024
Total amount of general solid waste -Disposal method: Recycling	Ton	1,795.73
Total amount of hazardous waste -Disposal method: recycling, incineration	Ton	17.65

Wastewater Management		
Indicator	Unit	2024
Domestic wastewater	Ton	449,847.00
Industrial wastewater	Ton	19.89

Waste Gas Management		
Indicator	Unit	2024
VOCs	KG	96.40
NOx	KG	330.99
SOx	KG	2.65

Greenhouse Gas Management CVTE 2024 Greenhouse Gas Emissions (Location-Based Method)		
Categories of greenhouse gas emissions	Main sources of greenhouse gas emissions	Greenhouse gas emissions/ tCO ₂ e
Scope 1: Direct greenhouse gas emissions	Gasoline, natural gas, diesel	2,209.63
Scope 2: Indirect Greenhouse Gas Emissions	Purchased electricity	38,220.04
Scope 3: Other indirect greenhouse gas emissions ¹³	Capital goods, etc. See notes for details	69,540.18
Total		109,969.85
Scope 1 + Scope 2 Greenhouse gas emission intensity (tCO ₂ e/RMB ten thousand of revenue)		0.0180

¹³The disclosed categories in the Scope 3 include: Category 2 Capital Goods, Category 3 Fuel- and Energy-Related Activities, Category 5 Waste Generated in Operations, Category 6 Business Travel, and Category 7 Employee Commuting

Appendix 2: Key Performance Indicators (Social)

Hiring						
Indicator		Unit	2021	2022	2023	2024
Total number of employees		Persons	5,426	6,193	6,780	6,693
By gender	Male	Persons	3,968	4,424	4,842	4,795
	Female	Persons	1,458	1,769	1,938	1,898
Proportion of women among employees		%	26.87	28.56	28.58	28.36
Divided by age	30 years old and under	Persons	3,018	3,401	3,520	3,101
	Ages 31 to 50	Persons	2,383	2,766	3,222	3,541
	50 years old and above	Persons	25	26	38	51
Divided by job level	Senior management	Persons	28	33	33	38
	Middle management	Persons	90	88	113	127
	Junior management	Persons	632	685	801	779
	Non-management	Persons	4,676	5,387	5,833	5,749
Divided by region	Mainland China	Persons	5,408	6,180	6,757	6,667
	Hong Kong, Macau, and Taiwan	Persons	13	11	12	12
	Overseas	Persons	5	2	11	14
Divided by ethnicity ¹⁴	Han Chinese	Persons	5,194	5,940	6,496	6,395
	Other ethnic minorities	Persons	232	253	284	284

Diversity, Equality, and Inclusion		
Indicator	Unit	2024
Number of women in junior management	Persons	197
Proportion of women in junior management	%	25.29
Number of women in middle management	Persons	26
Proportion of women in middle management	%	20.47
Number of women in senior management	Persons	10
Proportion of women in senior management	%	26.32
Number of women in management positions responsible for revenue generation	Persons	125
Proportion of women in management positions responsible for revenue generation	%	25.30
Number of women holding STEM-related positions	Persons	321
Proportion of women in STEM-related positions	%	11.12
Number of minority employees	Persons	284
Proportion of minority employees	%	4.24

¹⁴Data for 2024 only includes employees of Chinese nationality

Employee Development		
Indicator	Unit	2024
Number of training sessions organized	times	8,876
Total hours of training conducted	hours	450,000
Number of employees received training	Persons	8,104
Average training hours of employees	hours/person	55.10
Total number of directors who have received anti-corruption training in 2024	Persons	5
Total number of full-time employees who have received anti-corruption training in 2024	Persons	6,000

Human Rights			
Indicator		Unit	2024
Labor contract signing rate		%	100
Employee rights and interests	Number of people covered by the collective agreement	Persons	3,700
	Coverage rate of collective agreement	%	55.28
	Number of people covered by the trade union	Persons	4,600
	Trade union coverage rate	%	68.73

Occupational health and safety					
Indicator	Unit	2021	2022	2023	2024年
Number of work-related injuries	pcs	5	4	2	10
Days lost due to work injury	days	257	226	105	281
Number of work-related deaths	Persons	0	0	0	0

Appendix 3: GRI Index Table

GRI Content Index		
Report Section		GRI Content Index
About This Report		GRI 2-1, 2-2, 2-3, 2-4, 2-5
About CVTE		GRI 2-1, 2-2, 2-6
Chairman's Speech		GRI 2-14
ESG Highlights and Performance		-
ESG Governance	ESG Governance Structure	GRI 2-14, 2-17
	Communication with Stakeholders	GRI 2-15, 2-16, 2-29
	Double Materiality Assessment	GRI 3-1, 3-2, 3-3
Environmental Part	Promoting Green Operation	GRI 301, 302, 303, 305, 306
	Response to climate change	GRI 201-2, 305-1, 305-2, 305-4
	Creating Green Products	GRI 302-5
	Promoting the Circular Economy	GRI 301-2, 301-3
Social Part	Innovation-driven development	GRI 302-5
	Strict Product Quality Control	GRI 416-1
	Practicing Responsible Marketing	GRI 416-1, GRI 417-1, GRI 418
	Co-building of responsible supply chain	GRI 308-1, 308-2, 414-1, 414-2
	Employee Care and Cultivation	GRI 2-7, 2-8, 2-19, 2-20, 2-21, 2-26, 2-30, 201-3, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-2, 404-3, 405-1, 406-1
	Rural Revitalization and Community Public Welfare	GRI 203-1, 203-2, 413-1
Governance Part	Robust Corporate Governance	GRI 2-9, 2-10, 2-11, 2-18
	Strengthening Risk Management and Control	GRI 2-12, 2-13, 2-27
	Standardizing Business Conduct	GRI 2-26, 205-1, 205-2, 206-1

Index Mapping to the No. 17 Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange - Sustainability Report (Trial)		
Disclosure requirements	Clauses	Corresponding chapters/sections of this report
Chapter 3: Environmental Information Disclosure		
Section 1: Response to Climate Change	Article 20	Response to climate change
	Article 21	Response to climate change
	Article 22	Response to climate change
	Article 23	Response to climate change
	Article 24	Response to climate change
	Article 25	Response to climate change
	Article 26	Response to climate change
	Article 27	Response to climate change
	Article 28	Response to climate change
Section 2: Pollution Prevention and Control and Ecosystem Protection	Article 29	Promoting Green Operation
	Article 30	Promoting Green Operation
	Article 31	Promoting Green Operation
	Article 32	Promoting Green Operation
	Article 33	Promoting Green Operation
Section 3: Resource Utilization and Circular Economy	Article 34	Promoting Green Operation
		Promoting the Circular Economy
	Article 35	Promoting Green Operation
	Article 36	Promoting Green Operation
	Article 37	Promoting the Circular Economy

Chapter 4: Social Information Disclosure		
Section 1: Rural Revitalization and Social Contributions	Article 38	Rural Revitalization and Community Public Welfare
	Article 39	Rural Revitalization and Community Public Welfare
	Article 40	Rural Revitalization and Community Public Welfare
Section 2: Innovation-Driven Development and Tech Ethics	Article 41	Innovation-driven development
	Article 42	Innovation-driven development
	Article 43	Innovation-driven development
Section 3: Suppliers and Customers	Article 44	Co-building of responsible supply chain
		Strict Product Quality Control
		Practicing Responsible Marketing
	Article 46	Co-building of responsible supply chain
		At the end of the reporting period, details of the Company's accounts payable (including notes payable) balance and overdue unpaid amounts can be found in the Company's 2024 annual report
	Article 47	Strict Product Quality Control
		Practicing Responsible Marketing
Article 48	Practicing Responsible Marketing	
Section 4: Employees	Article 49	Employee Care and Cultivation
	Article 50	Employee Care and Cultivation
Chapter 5: Disclosure of Governance Information Related to Sustainable Development		
Section 1: Relevant Governance Mechanisms for Sustainable Development	Article 51	Strengthening Risk Management and Control
		Co-building of responsible supply chain
		Communication with Stakeholders
	Article 52	Co-building of responsible supply chain
	Article 53	Communication with Stakeholders
		Robust Corporate Governance
Section 2: Business Conduct	Article 54	Standardizing Business Conduct
	Article 55	Standardizing Business Conduct
	Article 56	Standardizing Business Conduct

Appendix 4: External Verification Statement

