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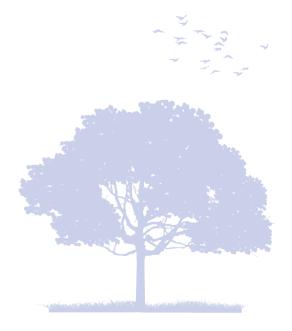
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Message from the Chairman



Chairman of YIFI Laser Wu Xuan

In 2024, global temperatures exceeded the pre-industrial baseline by 1.5°C for the first time, marking the hottest year on record. The frequent occurrence of extreme weather events underscores the urgent need to address climate change. Against the backdrop of a profound reshaping of the global economic landscape, sustainable development is not merely a topic of the times but also an urgent action that concerns the future of humanity. The United Nations Climate Change Conference continues to call upon countries to fulfill their climate responsibilities, while China's carbon peaking and carbon neutrality strategy provides profound guidance for socioeconomic transformation. Aligned with regulatory developments, the Shanghai Stock Exchange, Shenzhen Stock Exchange, and Beijing Stock Exchange have also successively issued guidelines for listed companies on sustainability reporting. As a premium equipment manufacturer positioned at the core of the energy revolution and a key enabler of the new energy value chain, we recognize our pivotal role in advancing the energy transition. We are committed to innovating green technologies to empower low-carbon development within the industry. We published the 2024 ESG (Environmental, Social, and Governance) report. This report is not only a declaration of our responsibilities but also marks a new starting point where YIFI Laser integrates the ESG philosophy deeply into strategic DNA and management framework.

Growing Resiliently, Strengthening Governance Foundations. We reformed the organizational structure, continuously optimizing our governance framework and internal control system to ensure scientific, transparent, and efficient decision-making. We conducted a comprehensive review of ESG management framework and established a company-specific ESG governance architecture, facilitating the ongoing improvement of corporate strategy, business operations, and management models. Moreover, we accelerated the integration of information technology and manufacturing technology. During the reporting period, we obtained AAA Certification for the Integration of Informatization and Industrialization Management System, the highest level under China's national standard GB/T 23001. While advancing digitalization and intelligent capabilities, we deliver intelligent products and intelligent manufacturing solutions, driving

the intelligent upgrading of downstream industries. Furthermore, since our IPO in 2023, we leveraged capital markets to catalyze business-capital integration through strategic investments, M&A, and incubations. While consolidating competitive advantage and market position in the lithium battery equipment sector, we pursue the "laser + intelligent equipment" strategy, expanding into emerging fields such as semiconductors and PV perovskites. We are continuously extending our footprint across the smart manufacturing value chain, accelerating dimensional and sectoral expansion to erect competitive moats and fortify sustainable growth resilience.

Innovation-Driven, Unleashing New Productivity. Technological innovation is embedded in YIFI Laser's strategic framework and serves as the core driver of sustainable value creation. We actively seize opportunities in the laser and new energy battery application industries, relying on the Engineering Technology Research Institute to build a collaborative innovation platform with upstream and downstream enterprises in the industrial chain, research institutes, and universities, constructing a "chain-style integrated innovation ecosystem." Guided by practical applications, we achieved breakthroughs and industrial transformation of new technologies, processes, and equipment. In the field of cylindrical battery equipment, we have built a comprehensive leading edge in core technologies, mass production equipment, and market applications. We have accumulated over 420 patent applications related to this area, including 52 authorized invention patents. Moreover, we have launched a full range of cylindrical full-tab battery mass production applications, effectively meeting the market demand for accelerated mass production of cylindrical batteries. In 2024, R&D expenses accounted for 13.39% of revenue, with R&D personnel comprising 43% of total employees. We undertook multiple national and provincial key projects, developed laser tempering and closed-loop monitoring system for welding quality, launched a high-speed magnetic levitation full-tab large cylindrical battery assembly line, and officially released a semiconductor AMHS system along with three core devices, promoting the digital and intelligent, flexible, and green development of the industry.

Low-Carbon Operations, Empowering Green Development. Under the national carbon peaking and carbon neutrality strategy, we not only embed low-carbon principles into our own operations but also strive to become the key enabler driving our customers' green transformation. We actively address climate change by identifying climate-related risks and opportunities, promoting the use of clean energy, and optimizing production processes to enhance energy efficiency, reduce pollution emissions, and minimize our environmental footprint. Meanwhile, we implement information and intelligent management, vigorously promoting a paperless "green office" to deepen environmental awareness among all employees. Crucially, we regard green technological innovation as a powerful tool to empower our customers. We continuously invest resources in clean technologies, successfully transforming innovative achievements into a series of high-performance green intelligent manufacturing equipment and solutions. These advancements significantly improve our customers' energy efficiency and reduce their carbon emission intensity, jointly forging a more competitive new paradigm of green intelligent manufacturing.

Uniting Efforts, Sustaining Social Responsibility. We adhere to a people-oriented approach, regarding employees as our most precious asset. We prioritize employee rights protection by establishing a diversified and clearly structured career development system that empowers individuals. We create a fair, just, united, mutually supportive, safe and orderly workplace ecosystem, fostering corporate unity, and unleashing talent value. Meanwhile, rooted in transparency and mutual trust, we deepen communication with customers, suppliers, government bodies and all sectors of society, actively participating in industry collaboration and social welfare initiatives. We earnestly fulfill our responsibilities by supporting areas such as education, health, and poverty alleviation through charitable donations, ensuring that the fruits of development benefit the community. We are committed to achieving a win-win situation between commercial and social values.

Looking ahead to 2025, which coincides with the 20th anniversary of YIFI Laser's establishment, two decades of diligent efforts have forged professional expertise. As we embark on the future journey, we carry the weighty expectations of the times. We will consistently uphold the philosophy of upholding fundamental principles while pursuing innovation. Through continuous technological advancements, we aim to perfect integrated layout across the entire industrial chain, encompassing "structural components - battery cells - module/PACK assembly - recycling/dismantling equipment - intelligent logistics equipment and systems as well as warehousing," thereby driving new momentum in intelligent manufacturing. We will lead development with a "new ecosystem" and forge ahead with "new breakthroughs." We will continuously deepen the sustainable development management system, strengthen communication and cooperation with stakeholders, and remain steadfast in our pursuit of harmonious coexistence among the enterprise, society, and the environment. We look forward to joining hands with partners from all walks of life to jointly build a resilient, green future characterized by shared creation and mutual benefit!



Company Overview

Wuhan YIFI Laser Co., Ltd. (Stock Code: 688646), founded in 2005 in China Optics Valley, is a Chinese government-certifiedhigh-tech enterprise specializing in intelligent precision laser processing equipment. Headquartered in Wuhan, the company operates multiple R&D and manufacturing bases across China.

Driven by continuous innovation ecosystem, YIFI LASER has built a comprehensive technology and product system focused on precision laser processing technology and intelligent manufacturing equipment. The company has made significant breakthroughs and upgrades across the entire value chain - fromlasers and laser systems to automated laser workstations, production lines, and turnkey intelligent manu.facturing solutions.

YIFI LASER's core offerings include inteligent laser systems, automated production lines for lithium bat.tery cell and module/pack assembly, solar cell manufacturing eauipment, and inteligent logistics solutions. These technologies are widely applied across various sectors, including new energy battery manu-facturing, photovoltaics, semiconductors, home appliances, prefabricated buildings, automotive compo.nents, as well as the food and pharmaceutical industries.

Corporate Culture

Mission

Dedicated to laser innovation, pioneering intelligent equipment upgrades





Vision

Becoming a world-class intelligent manufacturing equipment supplier



Excellence Innovation Collaboration

Integrity

Core Values





Business Philosophy

Customer-centric Quality-assured Innovation-driven Service-supported



Development Milestones

Since its establishment in 2005, YIFI Laser has started from laser R&D to overcoming high-reflectivity metal welding challenges, progressively achieving breakthroughs in full-tab technology and developing a series of cylindrical full-tab battery equipment, and expanding into new energy battery welding, auto parts, kitchenware, prefabricated buildings, intelligent logistics, and semiconductor applications. In 2023, YIFI Laser went public on the STAR Market, reinforcing commitment to core business growth and global market expansion, driving rapid development from technological innovation to industrial diversification.

Key Milestones

2005-2010 **Product R&D and Entrepreneurship**

- O YIFI Laser was established in Wuhan, China Optics Valley
- O Self-developed pulsed lasers achieved mass production
- Won the title of National High-Tech Enterprise
- O Established the Laser Application Test Center, constantly expanding the innovative application fields of laser technology
- Overcame technical challenges in multi-tab/full-tab battery processing and equipment, and launched a standalone welding machine for cylindrical full-tab batteries

• 2011-2014

Technological Iteration and Upgrading

- Established Southern China Branch and fully advanced "Laser + Automation"
- O Established R&D partnership with the Guangzhou Institute of Industrial Technology, Chinese Academy of Sciences for lithium battery equipment
- Launched various lithium battery laser welding assembly pilot lines
- Broke through the "laser vertical welding" technology for prismatic batteries and pioneered automated assembly lines for prismatic batteries
- Achieved key technology breakthroughs in cylindrical tabless batteries, and pioneered the automated assembly line for cylindrical tabless batteries

2015-2018

Industrial Synergistic Development

- Launched construction of the "YIFI Laser Intelligent Manufacturing Base in East China"
- O Delivered the world's first automatic assembly line for cylindrical tabless cells
- O Self-developed the first-generation flexible fiveaxis welding station
- Comprehensively achieved intelligent upgrades for various cell and module and PACK production
- Launched automatic assembly lines for household appliances, kitchenware, green buildings, and automotive components
- Recognized as "Hubei Province Enterprise Technology Center"

Since 2024 •--

Building Platform Systems

- Upgrading the construction of YIFI Laser Engineering Technology
- O Constructed a collaborative innovation platform for the industrial chain
- Invested in and established Ecotion, setting up a R&D and manufacturing base in South China
- O Strategically acquired New Cohesion, venturing into the smart logistics industry
- Accredited as a National-level Industrial Design Center
- O Appointed as the leader of the laser application industrial chain for new energy batteries in Hubei Province
- O Jointly established the Laser Application and Premium Equipment Innovation Hub with Wuhan Industrial Innovation Development Institute

2019-2023 **Capital Operation and Growth**

- O Listed on the STAR Market
- O The 360ppm cylindrical full-tab battery automatic production line has
- O Began the construction of the Intelligent Manufacturing Headquarters Base in Central China
- Mass-produced and delivered intelligent assembly lines for cylindrical full-tab cells
- O Awarded as a National Enterprise of Specialized, Refined, Distinctive, and Innovative, which received national key support
- O Honored on the "Science and Technology Innovation China, Leading Technology List"
- O Selected for the National Manufacturing Industry Single Champion Product List





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Products and Solutions



• EPC-Level Smart Logistics System Solutions

Intelligent Logistics System Solution Provider for All Industries



Solution Planning

Site Survey and Planning Pre-sales Solution Design Detailed Implementation Plan

Core Equipment

Production Line Automation Equipment Intelligent Logistics Scheduling System Intelligent Warehousing System AMHS System

Software System

MES System LMS/WMS WCS/ACS CIM

Project Implementation

Equipment Installation **Equipment Commissioning** Software Debugging

• AMHS Systems for Semiconductor Factory



Line-side Stocker



High-speed Vertical Lift Tower



Overhead Hoist Transport (OHT) System

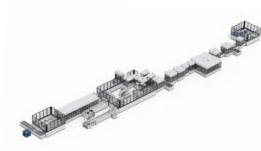
• Battery System Assembly Solutions



Laser Welding Station



Cylindrical Battery Module Mass **Production Equipment**



Prismatic Battery Module Mass **Production Equipment**



Pouch Battery Module Mass **Production Equipment**

Manufacturing Software Systems

Utilizing Digital Twin Technology for Visualized Operations in Digital Factories

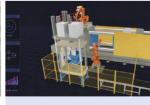
Factory Visualization >>> Production Line Visualization >>> Equipment Visualization >>> Equipment Structure Visualization



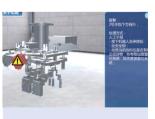
MES Software Energy Management Software



LES/WMS Software Standard Equipment Interfaces Modular Installation Design



WCS Software Core Equipment: Stacker Cranes, Conveyor Lines, Robotic Workstations



PLC Control Programs Standardized Component Design

Business Operation Layout

YIFI Laser has established production bases and R&D centers in multiple locations across China, forming a multi-base layout covering key regions including Central China, East China and South China. Meanwhile, we actively expand overseas markets through cooperation with internationally renowned customers, participation in international exhibitions, and establishment of overseas marketing and after-sales systems to enhance global market influence. With the strategy of domestic multi-base layout and active overseas expansion, we are gradually building an efficient and collaborative global business operation system.

Industrial Presence

YIFI Laser is committed to becoming a world-class supplier of intelligent manufacturing equipment and is unwavering in pursuit of a globalization strategy. Domestically, we have established a comprehensive industrial presence, centered around our headquarters in Wuhan Optics Valley, forming a "1+4" production base presence that includes the Central China Base, the East China Base, Wuxi New Cohesion, and Zhuhai Ecotion, to provide customers with integrated services encompassing R&D, production, and sales. We place great emphasis on expanding into overseas markets. By establishing overseas subsidiaries, setting up sales and service agencies in collaboration with local enterprises, and participating in overseas exhibitions, we are expanding the brand influence and actively accelerating localization efforts. Currently, we have achieved product sales in multiple countries and regions, including the UK, Germany, Brazil, India, Japan, South Korea, Turkey, and Vietnam. In April 2025, we established a subsidiary in Singapore, designated as our overseas operational headquarters. By adopting a localized cooperation approach, we aim to further expand overseas market business, provide global customers with higher-quality products and services, and build dedicated service teams for key overseas strategic clients. This will enhance the international market competitiveness and service capabilities.













Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

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Laser-Inspired 2024

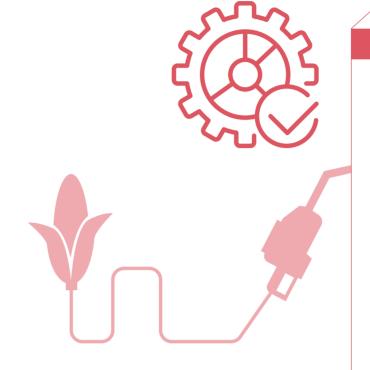
Key Highlights in 2024



Financial Performance

Revenue	RMB	692.07 million
Total assets	RMB	2,822.62 million
Net profit attributable to shareholders of the parent Company	RMB	24.33 million
Tax paid	RMB	18.73 million
Amount paid for share repurchases (excluding transaction fees)	RMB	83.07 million
Cash dividend payout amount	RMB	43.24 million

Note: Refers to the dividends distributed in 2024 for the FY 2023 and 1H 2024



Governance Performance

Proportion of independent directors 33.33%Inquiry/complaint resolution rate 100%Interactive platform responses 104Investor hotline sessions 74

3 Shareholders' meetings (15 proposals)

7 Board meetings (36 proposals)

4 Supervisory Committee meetings (17 proposals)

Environmental Performance

Environmental violations and penaltiesOcase(s)

Environmental investment RMB 1.18 million

Self-consumed PV electricity 958.33 MWh

Total GHG emissions (Scope 1+2) 1,095.03 tCO₂e

GHG emissions intensity (Scope 1+2) 0.016 tCO₂e/RMB 10k revenue



Social Performance

R&D investment	RMB 92.64 million	
R&D investment as % of revenue	13.39 %	
Proportion of R&D personnel	43 %	= \ /
Valid invention patents	103	
Intellectual property rights held	633	
Total training hours	8,350.75 Hour(s)	
Participation in industry summits and exhibitions	24 Times	
Coverage rate of occupational health examinations	100 %	
Social welfare investment	RMB 0.17 million	

Key Events in 2024

In 2024, YIFI Laser expanded its business scope by acquiring New Cohesion, optimizing multi-site layout across China while actively exploring both domestic and overseas markets, deepening cooperation with numerous well-known enterprises and reaching strategic agreements. Continuously investing in technological innovation, we launched a series of new products, including a high-speed magnetic levitation full-tab large cylindrical battery assembly line, a high-speed prismatic battery assembly line, a fully automatic production line for prismatic battery CTP modules, a new type of cell structure component assembly line, sodium-ion battery intelligent equipment, and solid-state/semi-solid-state battery intelligent equipment, further strengthening market competitiveness. We have comprehensively upgraded our innovation system by establishing the Engineering Technology Research Institute, which has constructed a new-type innovation platform integrating "R&D innovation - engineering transformation - analysis and testing." In addition, we officially initiated the digital transformation and AAA Certification for the Integration of Informatization and Industrialization Management Systems standardization work. This marks the beginning of a new phase in the Company's digital management upgrade. By building a new group-wide project operation and management platform, we aim to enhance the integration of business and finance, refine project cost management, increase project schedule transparency, and strengthen group-level operation and control capabilities.



In July

 The overseas cylindrical full-tab cell assembly mass production line project rolled off

In December

 YIFI Laser launched a closed-loop monitoring system for welding quality

In February

 Implemented the first phase of the share repurchase plan

In April

- YIFI Laser pioneered the high-speed magnetic levitation full-tab large-cylindrical battery production line
- YIFI Laser Engineering Technology Research Institute was completed and put into operation

In October

- The 2GWh intelligent integrated system project for solid-state batteries by New Cohesion successfully passed acceptance
- The mass production line for 46-series large cylindrical batteries entered large-scale delivery
- YIFI Laser officially established a strategic cooperation with Songshan Lake Materials Laboratory







In November

- YIFI Laser was honored the Top 50 Private Enterprises in Technological Innovation in Wuhan
- New Cohesion launched semiconductor AMHS system



In June

• YIFI Laser reached a strategic M&A with New Cohesion

年度专题

Core Certifications and Honors

Leveraging its abundant intellectual property rights, achievements in technical standards, and a powerful innovation platform, YIFI Laser has been honored with multiple awards, including the "2024 Outstanding Brand in Lithium Battery Equipment" and the "2024 TOP 30 Intelligent Manufacturing Enterprises in New Energy". These accolades fully demonstrate its remarkable strength and industry influence in the field of lithium battery equipment.

董事长致辞

Annual Corporate Honors

Best Influential Enterprise Energy Storage Leaders Alliance

Made in China Hidden Champion

Made in China Hidden Champion Committee Top 100 Brands in China's **New Energy Storage**

Energy Storage Leaders Alliance

👺 Starting Point Gold Tripod Award - 2024 👻

Sodium Battery Equipment Company

Starting Point Sodium Battery

Top 30 of China Intelligent

Manufacturing Companies in the New

Energy Industry 2024 (GGII)

GGII Consulting

Shenzhen High-Tech Consulting Co., Ltd.

2024 Outstanding Supplier Award

Gotion High-Tech the 14th Supplier Conference and 2025 Strategic Release Committee

Annual Innovation

Enterprise (Equipment)

The 9th International Summit on Power Battery

igh-Tech Lithium 2024 Intelligent

Manufacturing Pioneer

Applications (CBIS2024) Committee

Most Promising Enterprises for Growth

China Automotive Power Battery Industry Innovation Alliance

The 9th International Summit on Power Battery

Annual Product Trust **Enterprise (Equipment)**

Applications (CBIS2024) Committee

👺 2024 China Laser Star Rising Award - Best 🖏 Influential Enterprise in the Laser Industry

China Laser Star Rising Awards Committee

High-Tech Golden Globe Award - Warehouse Logistics System Integrator (New Cohesion)



'Hubei Premium" Certification Hubei Brand Promotion Mechanism

武汉逸飞激光股份有限公司









National Manufacturing Single

Ministry of Industry and Information Technology of the People's Republic of China, China Federation of Industrial Economics

Top 50 Private Enterprises in Technological Innovation in Wuhan

Wuhan Federation of Industry and Commerce

National "Specialized, Refined, Distinctive and Innovative" Little Giant Enterprise

Ministry of Industry and Information Technology of the People's Republic of China

National Industrial Design Center

Ministry of Industry and Information Technology of the People's Republic of China Sci-Tech Innovation China Leading **Technologies List**

China Association for Science and Technology

National Intellectual Property Advantage Enterprise

National Intellectual Property Administration



武汉逸飞激光股份有限公司工业设计中心 国家级工业设计中心 (2024-2027) 中华人民共和国工业和信息化部







Annual Theme

Building a Chain-Integrated Innovation Ecosystem, Accelerating High-Quality Development of Laser Industry

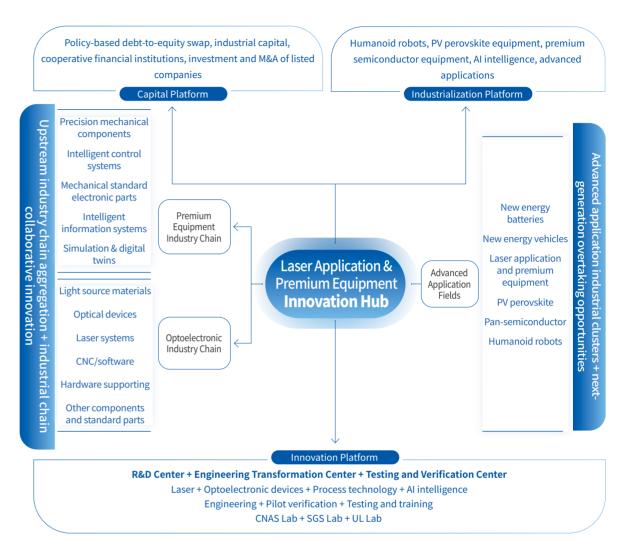
Driven by the carbon peaking and neutrality strategy, YIFI Laser actively constructed a collaborative innovation system featuring the "integration of four chains" (industrial chain, innovation chain, capital chain, and talent chain). This construction is supported by the policy guidance outlined in Hubei Province's Implementation Opinions on Promoting the High-Quality Development of the Laser Industry. As the leading enterprise of Hubei Province's "New Energy Battery Laser Application Industrial Chain," we promote the industrialization of leading technologies in the new energy advanced battery and laser industries, facilitate the innovation iteration and intelligent upgrading of advanced industries such as new energy batteries combined with laser technology, aiming to establish a demonstration model for the integrated development of the "laser + new energy" industry in Hubei Province.

Industrial Synergy: Ecosystem Development

YIFI Laser has formed a full-chain service capability encompassing "technological innovation - process verification - testing and certification - industrial incubation" through the model of "industry chain leader guidance + platform support + ecosystem co-construction." This approach drives the coordinated development of enterprises along the upstream and downstream of the industrial chain.

Collaborative Innovation Platform

We have established a novel innovation platform integrating "R&D innovation - engineering transformation - analysis and testing" relying on the Engineering Technology Research Institute. This platform comprises 23 specialized laboratories, including advanced laser components, laser systems, laser processes, intelligent software, intelligent equipment, and digital twins. These laboratories are equipped with over 200 sets of advanced equipment, such as industrial CT scanners, scanning electron microscopes, X-ray diffractometers, beam quality analyzers, spectrophotometers, and electrical performance testers, enabling the execution of 119 analysis and testing projects related to mechanical structure, material composition, optical performance, electrical performance, safety, and other aspects. A full-industry-chain pilot-scale verification platform has also been built, encompassing battery structural components, cell pilot-scale verification, battery pack application, and battery recycling and disassembly. Aligned with industrial transformation and upgrading requirements, we provide services to meet the innovation R&D, engineering verification, testing certification, performance testing, and achievement transformation of the new energy battery industry chain. Through targeted technological breakthroughs, we enhance innovation efficiency, increase the value of achievement transformation, and empower high-quality development of the industry.



YIFI Laser Collaborative Innovation Platform for New Energy Battery Laser Applications

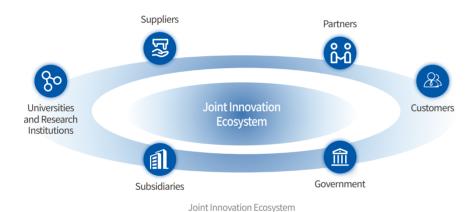
Furthermore, to promote technological innovation and equipment development in cylindrical full-tab batteries, in 2023, in accordance with the Interim Measures for the Construction and Management of Enterprise Joint Innovation Centers of WIIDI, we actively implemented all tasks and requirements outlined in the Construction Plan for the WIIDI - YIFI Laser Joint Innovation Center on Advanced Battery Intelligent Manufacturing Technologies and Equipment. Focusing on establishing an open information platform for cylindrical full-tab battery design, manufacturing, in-process detection, and digital management, we have closely collaborated with various industry stakeholders including cylindrical full-tab battery manufacturers, R&D institutions, equipment producers, and system integrators. We have also engaged in extensive cooperation and exchanges with relevant domestic and international enterprises, universities, and research institutions to jointly study and address common challenges in battery production processes. This collaborative approach enables comprehensive sharing of technologies and experiences, ultimately driving technological advancement across the entire industry.

Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

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Joint Innovation Ecosystem

Guided by a practical application-oriented approach, YIFI Laser collaborates with multiple stakeholders including universities, research institutions, suppliers, partners, customers, and the government, focusing on areas such as premium intelligent equipment, new energy batteries and PV perovskite, to build a joint innovation ecosystem. Building on this foundation, by integrating high-quality resources such as the "Huazhong University of Science and Technology Joint Laboratory for Intelligent Measurement of Laser Processing Quality" and the "Hubei Optical Fiber Laser Industry Technology Innovation Consortium", we have developed a complete innovation chain spanning from fundamental research to engineering applications. We have formed in-depth collaborations with research institutions including the Wuhan Industrial Innovation Development Institute (WIIDI), the Institute of Semiconductors of the Chinese Academy of Sciences, and the Songshan Lake Materials Laboratory. Furthermore, we have partnered with universities such as Huazhong University of Science and Technology and Jiangsu University to conduct industry-academia-research collaborative projects, facilitating efficient commercialization of technological achievements.



Additionally, we have jointly launched the "Laser Application and Premium Equipment Innovation Hub" with WIIDI. The Innovation Hub will focus on four key sectors, including next-generation intelligent battery equipment, industrial humanoid robots, third-generation premium solar cell equipment, and advanced semiconductor packaging/testing and intelligent logistics. The Hub aims to establish a sustainable development model of "industry-defining demand, technology-responding solutions, and capital-secured implementation." Through pivotal projects that connect segmented industrial chains, it will bring together key universities, research institutions, industrial chain enterprises, and investment organizations to converge the three critical elements of innovation, industry, and capital. This "tri-chain integration" will cultivate new quality productive forces and create a virtuous innovation ecosystem where "demand drives innovation, technology propels industry, and capital accelerates commercialization." The first benchmark project of the innovation hub—Hubei Jingchu Humanoid Robot Co., Ltd., jointly invested in and established by Wuyi Technology (the YIFI Laser & WIIDI Joint Venture), the Wuchang District Government, and an authoritative academician team specializing in robotics—has officially launched.

Public Service Platform

YIFI Laser is actively promoting the construction of a public verification and testing platform. We have registered and established Wuhan Yizhixincheng Technology Testing Co., Ltd., which is equipped with advanced verification and testing equipment and a professional technical service team to carry out testing services. These services encompass a wide range of tests, including microscopic crystal structure analysis, material composition analysis, optical device system analysis, and electrical performance testing. The coverage spans multiple fields such as new energy batteries, semiconductors, electronics, automotive, and hardware industries. Currently, Wuhan Yizhixincheng Technology Testing Co., Ltd. is actively advancing the preparatory work for accreditation as a third-party public technology service platform - CNAS laboratory (China National Accreditation Service for Conformity Assessment). Simultaneously, we are planning to build additional authoritative certification capabilities such as CMA and TÜV. In the future, we will serve the verification and testing requirements of enterprises along the supply chain, providing more professional and scientific technical and product support for R&D and innovation within the industrial chain.

Innovation Pipeline: Tech Commercialization

YIFI Laser collaborates with upstream and downstream enterprises, universities, and research institutes to address key common technologies in advanced industries like new energy batteries and premium intelligent equipment, driving comprehensive innovation breakthroughs and application transformations in new energy battery equipment and laser application technologies.

Collaborative Innovation Achievements

During the reporting period, YIFI Laser has successfully commercialized technologies including system integration, high-speed flying operations, real-time sensing system fusion, laser conditioning system development, and laser processing surface treatment. We also partnered with Huazhong Agricultural University to conduct R&D on the "Key Technologies and Applications of Cylindrical Full-Tab Batteries Intelligent Welding Systems" project. We also collaborated with Huazhong University of Science and Technology to develop the "Key Technologies of Scanning Spot Circular Laser Welding for Busbars in Large Cylindrical Lithium Battery Modules" project, accelerating the transformation of scientific and technological achievements.



Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

Message from the About YIFI Laser Laser-Inspired 2024 Annual Theme

Chairman

Annual Theme

Converge: Brilliance: Guiding Light: Sustain: Appendit Fortifying Foundations Crafting Excellence Green Empowerment Upholding Responsibility

Collaborative Innovation Outlook

Leveraging the collaborative innovation platform, YIFI Laser will join forces with ecosystem partners to address industry-wide challenges such as intelligent laser control systems. Guided by the "application-oriented" innovation philosophy, we will accelerate the commercialization of new processes, technologies, and products from laboratory to market, establish a multidisciplinary, cross-technology collaborative innovation mechanism to facilitate multidimensional incubation and commercialization across products, technologies, markets, and capital. This approach will drive the industrialization of laser-based intelligent manufacturing technology ecosystems.

New Energy Equipment

Specialize in laser welding and assembly line solutions for battery cells, battery components, and PV products

New Energy Vehicles & Energy Storage Specialize in complete production line solutions for battery module and PACK assembly and disassembly in new energy vehicles and energy storage systems

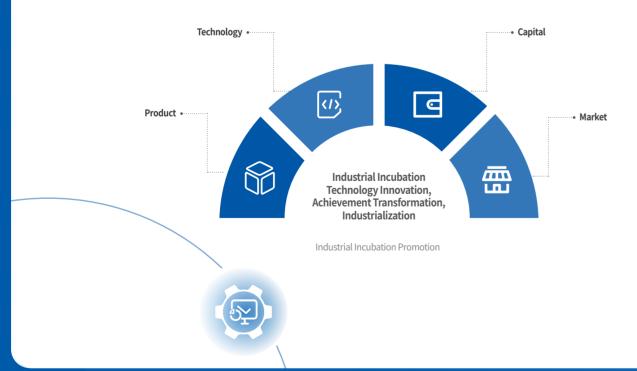
3C Electronics

Specialize in precision laser welding and intelligent manufacturing solutions for the 3C electronics industry

General Automation

Specialize in laser welding, intelligent manufacturing, and laser cleaning solutions for hydrogen fuel cells, hardware and household appliances, medical, military, and related industries

Commercial Application Fields



Capital Momentum: Strategic Growth

Since its listing, YIFI Laser has leveraged capital market platforms to promote the deep integration of business and capital through investments, M&A, and incubation. Focusing on the core business, we systematically explore potential value across upstream and downstream industrial chains as well as related sectors in optoelectronics, premium intelligent equipment, new energy batteries, pan-semiconductor technologies, and other emerging industrial sectors. By strategically investing in high-quality resources and implementing efficient integration, we inject new growth momentum, achieving dual-driven development through organic expansion and external acquisitions.

Strategic Acquisition of New Cohesion

YIFI Laser actively expanded into intelligent logistics and semiconductor sectors. During the reporting period, we completed a strategic acquisition of 51% stake in New Cohesion. Following the acquisition, both parties successively held business integration work meetings and New Cohesion strategic partner conferences to actively promote in-depth business integration. We aim to fully leverage the synergistic benefits between intelligent logistics and equipment, thereby driving the advancement of intelligent manufacturing towards premium, intelligent, and green development.



YIFI Laser and New Cohesion Hold Business Integration Work Meeting

From July 8th to 9th, 2024, YIFI Laser and its subsidiary New Cohesion held a business integration work meeting. The meeting aimed to accelerate the integration of their businesses with the goal of achieving "1+1>2." Both management teams provided detailed introductions to their companies' development status, strategic plans, business growth, and operational management systems. They engaged in comprehensive discussions on market, marketing, products, technology, supply chain, and corporate management. The meeting enhanced mutual understanding between the management and business teams of both companies, facilitated communication channels, and established an integration work mechanism, laying a solid foundation for collaborative growth.



Business Integration Work Meeting

Completion and Commissioning of Intelligent Manufacturing Bases

During the reporting period, the second phase of the Central China Intelligent Manufacturing Base and East China Intelligent Manufacturing Base, as well as the Zhuhai Ecotion Base, has been put into operation. The Wuhan Headquarters Base project and IPO-funded projects are progressing as planned. In 2025, we will continue to strengthen the management of IPO-funded projects, steadily and with quality assurance promoting the completion and implementation of these projects to achieve full operational status at the earliest opportunity, thereby meeting customer demands for product diversification and enhanced performance.



East China Intelligent Manufacturing Base







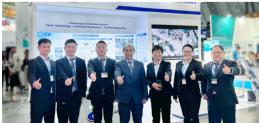
Wuhan Headquarters Base Project

Central China Intelligent Manufacturing Base

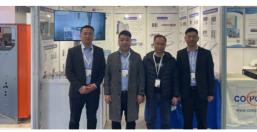
7huhai Ecotion Base

Advancing Globalization Strategy

YIFI Laser is actively expanding into overseas markets by participating in international exhibitions and striving to build a globally connected service network to create an international business ecosystem. In April 2025, we established a wholly owned subsidiary in Singapore, designated as our overseas operational headquarters. By adopting a localized cooperation approach, we aim to further expand overseas market business, provide global customers with higher-quality products and services, and build dedicated service teams for key overseas top-tier clients. This will enhance the international market competitiveness and service capabilities.











The Battery Show India

Talent Catalyst: Value Ignition

As an enterprise recognized by the Ministry of Industry and Information Technology as a "National Manufacturing Single Champion Product" and a National Key Supported Professionalization, Refinement, Specialization, and Innovation "Little Giant" enterprise, YIFI Laser faces structural contradictions where traditional professional title evaluation standards are overly academic and fail to meet the core skill requirements of manufacturing enterprises. These contradictions include "evaluation standards lagging behind technological iterations, review cycles not matching enterprise innovation rhythms, regional policy differences exacerbating talent mobility barriers, and severe talent siphon phenomenon". We have repeatedly proposed at governmentorganized private enterprise forums, enterprise development innovation seminars, and enterprise difficulty research meetings granting champion enterprises and specialized, refined, distinctive and innovative "Little Giant" enterprises the leading role in professional title evaluation. These efforts helped promote the introduction of Several Measures on Innovating the Professional Title Evaluation Mechanism for Specialized, Refined, Distinctive and Innovative Enterprises and Manufacturing Single Champion Enterprises in Hubei Province (Trial). The policy clearly supports specialized, refined, distinctive and innovative enterprises and manufacturing single champion enterprises in conducting independent evaluations. It allows enterprises to recommend talents for direct application for senior professional titles, grants enterprises the right to evaluate and use talents, and stimulates talent innovation and creativity.



Hubei Provincial Department of Human Resources and Social Security and Department of Economy and Information Technology Jointly Issued Several Measures for Innovating the Professional Title Evaluation Mechanism for Hubei's 'Specialized, Refined, Distinctive and Innovative' and Manufacturing Single Champion Enterprises

Converge: Fortifying Foundations

Guided by the sustainable development principles, YIFI Laser continuously optimizes the governance structure and decision-making processes to enhance operational efficiency. We are committed to ensuring timely and accurate information disclosure, strengthening investor communication, reinforcing risk and compliance management, and deeply integrating Party building with corporate governance. Meanwhile, we maintain high standards of business ethics, strictly adhering to anti-corruption and anti-unfair competition regulations to foster a healthy, orderly business environment. Additionally, we have established a comprehensive privacy protection and information security system to safeguard customer data while advancing our digital and intelligent transformation strategy to accelerate high-quality development.

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Enhancing ESG Governance

YIFI Laser embodies the concept of sustainable development, placing significant importance on the concerns and demands of various stakeholders. We continuously strengthen communication and collaboration with all stakeholders, actively listening to their opinions and suggestions to enhance the scientific and transparent decision-making for sustainable development.

ESG Governance Structure

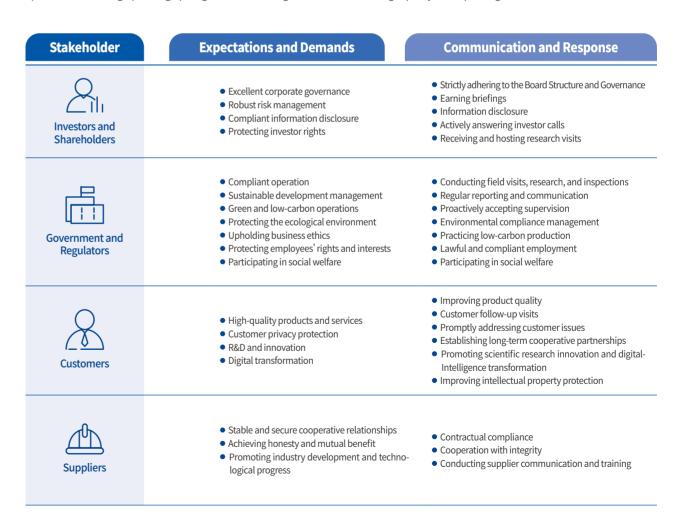
We have established a robust ESG governance structure and management system. The ESG governance framework consists of three layers: the decision-making layer, the management layer, and the execution layer. The decision-making layer comprises the Board of Directors and the Strategy and Development Committee. The management layer is the ESG Management Working Group, with the Securities Affairs Department serving as the lead unit. This group is composed of the competent leaders of various departments and ESG liaison officers from both YIFI Laser and its subsidiaries. The execution layer comprises various functional departments and subsidiaries. In accordance with the Detailed Rules for the Work of the Strategy and Development Committee and the ESG Management System, the decision-making layer is primarily responsible for reviewing and approving the ESG strategic plans and management systems, as well as supervising the implementation of ESG-related matters. The management layer is tasked with coordinating and implementing the ESG management work, and regularly reporting the work progress to the Strategy and Development Committee. The execution layer is responsible for collaborating on and implementing specific ESG tasks to facilitate the realization of the ESG strategy.

Management Layer	er Organizational Structure		Responsibilities
	Leadership and Decision-Making Body	Board of Directors	 Review and approve the Company's ESG development strategies and objectives, major issues, management structure, and management systems. Review and approve the ESG reports.
Decision-Making Layer	Research and Guidance Body	Strategy and Development Committee	 Promote the integration of ESG concepts into the Company's overall strategy and development plans. Conduct research on and propose recommendations for the long-term strategic development plans. Conduct research on and propose recommendations for ESG-related matters, including ESG governance, strategies and objectives, and ESG-related reports. Identify, assess, and propose recommendations for ESG-related risks and opportunities. Conduct research on and propose recommendations for other significant matters affecting the company's development or related to ESG. Inspect and supervise the implementation and execution of the above matters and report to the Board of Directors. Handle other matters authorized by the Board of Directors.
Management Layer	Management Body	ESG Management Working Group	 Formulate the Company's ESG strategic plans and ESG-related systems and policies. Implement ESG strategies and responsibilities. Establish an ESG work reporting mechanism and regularly report work progress to the Strategy and Development Committee. Understand the demands, opinions, and suggestions of stakeholders. Organize the formulation and implementation of strategies and measures to address the ESG impacts, risks, and opportunities. Prepare and issue ESG reports. Handle other ESG-related matters.

Organizational Structure Responsibilities Management La • Collect relevant ESG indicator information and submit work objective progress and major initiatives according to the annual ESG report preparation • Establish and improve special management methods related to ESG. **Execution Units and** Various Functional • Implement management measures related to various ESG issues. Work Coordination Departments and • Communicate with stakeholders according to departmental responsibili-**Bodies** Subsidiaries ties and respond to their ESG needs. • Cooperate in ESG information collection and submit relevant information. • Participate in the ESG promotion, training, and other activities. Handle other ESG-related work responsibilities.

Stakeholder Engagement

YIFI Laser places great emphasis on the rights, interests, and demands of stakeholders. We actively maintain close communication with all stakeholders, fully listen to their opinions and feedback, and implement a series of measures to respond to the issues they are concerned about and continuously make improvements. We are committed to deeply integrating the concept of sustainable development into production operations and strategic planning, sparing no effort in driving the realization of the high-quality development goals.



Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

Message from the About YIFI Laser Laser-Inspired 2024 Annual Theme

Converge:
Fortifying Foundations

Capting Excellence

Guiding Light:
Sustain:
Appendix

Crafting Excellence

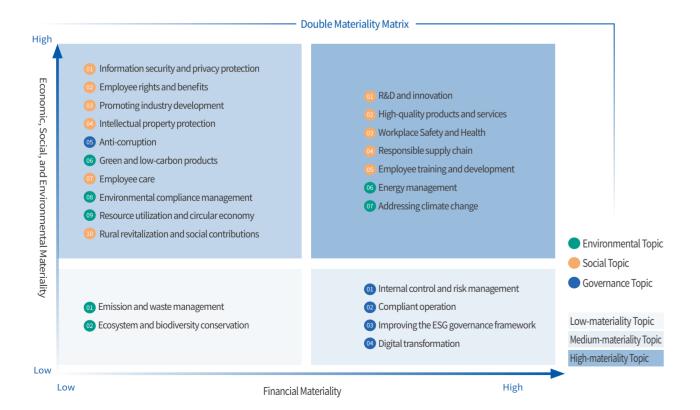
Green Empowerment

Upholding Responsibility



Materiality Topic Analysis

Through communicating with stakeholders and in accordance with the Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange—Sustainability Report (For Trial Implementation) and the GRI Sustainability Reporting Standards, we have adopted the principle of double materiality. Combining expert opinions and referencing excellent industry practice cases, we have optimized and adjusted the approach to identify topics that hold both financial and impact materiality. This enables us to manage relevant topics more targeted and provide detailed responses in this report, ensuring the continuous advancement of the sustainability goals.



Contributing to the UN SDGs

SDGs	Responsible Actions of YIFI Laser	Chapter Reference
1 POVERTY	 Establish a scientific compensation and benefits system, implement equity incentives and performance bonuses to increase employee income. 	 Sustain: Upholding Responsibility
3 GOOD HEALTH AND WILL-SCHOOL	 Initiate the construction of a safety standardization system, obtain and maintain ISO 45001 Occupational Health and Safety Management System certification. Promote 5S management and visual safety programs. Organize multiple company-level and departmental safety emergency drills, achieving 100% coverage of safety training. Provide safety equipment and psychological support services. Organize diverse cultural and sports activities. 	 Sustain: Upholding Responsibility
4 QUALITY EDUCATION	 Advance the "Nestling Eagle - Flying Eagle - Golden Eagle" three-stage talent cultivation project. Employee training coverage reached 100%. Total training hours: 8,350.75 hours (average 8.35 hours per employee). 	 Sustain: Upholding Responsibility
5 GENDER GUNALITY	 Promote gender equality and job diversity, gradually increasing the proportion of female employees. 	 Sustain: Upholding Responsibility
G CLEAN WATER AND SANITATION	 Install water-saving devices and conduct regular inspections of faucets and valves to reduce water waste caused by leaks and drips. 	Guiding Light: Green Empowerment
7 AFFORDARIE AND CLEAN ENERGY	 Comprehensively promote the use of clean energy for power generation, installing PV power stations on factory rooftops. 2 distributed PV projects with a combined installed capacity of 1,258.48 KW. During the reporting period, self-consumed 958,329.29 kWh of PV-generated electricity, accounting for 77.53% of the total PV power generation. Install EV charging stations within the park/industrial zone. 	Guiding Light: Green Empowerment
8 DECENT WORK AND ECONOMIC GROWTH	 Optimize the organizational structure through a combination of internal and external recruitment to drive highly suitable job placements. Adopt diverse employment forms (full-time, outsourced employee, hourly) with competitive compensation. 	 Sustain: Upholding Responsibility

SDGs

Responsible Actions of YIFI Laser

Chapter Reference



- As the leading enterprise in the "New Energy Battery Laser Application Industrial Chain", we have established an integrated innovation platform that combines R&D innovation, engineering conversion, and analytical testing, driving the industrialization of cutting-edge technologies in advanced battery manufacturing and laser applications.
- Provide talent and financial support for technological innovation and improve R&D incentive mechanisms.
- Develop green technologies with low energy consumption, high flexibility, and
- Promote PV power generation to reduce production energy consumption.
- Comply with information disclosure regulations, safeguard investors' rights and interests, and ensure the equal participation of small and medium investors in corporate governance.
- Practice equal employment and promote gender equality and job diversity.
- Actively engage in public welfare, focusing on education, health, and poverty alleviation, and give back to society through charitable donations.
- Build a responsible supply chain to promote the safe, stable, and green development.
- Reduce production energy consumption and increase the proportion of clean
- Ensure compliance in the discharge of waste gas, wastewater and solid waste to mitigate environmental pollution.

- Converge: Fortifying Foundations Sustain: Upholding Responsibility

- Brilliance: Crafting Excellence
- Guiding Light: Green Empowerment



- Integrate climate change response into the Company's strategy. By optimizing the energy structure, reducing emissions and carbon, and promoting green technological innovation, we aim to alleviate environmental burdens, enhance resilience against climate change risks, and seize climate-related opportunities.
- Guiding Light: Green Empowerment



- Improve ESG governance structure to drive sustainable operations.
- Uphold business ethics and continuously optimize the anti-corruption management system. Suppliers are required to sign the Integrity Agreement, and employees must sign the Integrity Pledge.
- Converge: Fortifying Foundations



- Establish strategic partnerships with industrial chain to promote the construction of a joint innovation ecosystem.
- Participate in industry associations, take the lead in standard formulation, organize or participate in technical seminars.
- Brilliance: Crafting Excellence Sustain: Upholding Responsibility





- Annual Theme: Building a Chain-Integrated Innovation Ecosystem, Accelerating High-Quality Development of Laser Industry
- Brilliance: Crafting Excellence
- Guiding Light: Green Empowerment

Reinforcing Corporate Governance

YIFI Laser strictly complies with laws and regulations to ensure lawful corporate governance. We continuously improve the mechanism for independent directors to perform their duties and enhance the work of three governance bodies, guaranteeing the truthfulness, accuracy, and timeliness of information disclosure to protect investors' rights to information. Through multiple communication channels, we enhance investors' understanding and trust in the company. In addition, YIFI Laser is committed to fostering a work environment of integrity and self-discipline, strengthening ideological foundations through Party building, and continuously improving corporate governance efficiency.

Board & Committee Governance

YIFI Laser strictly complies with relevant laws and regulations including the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as relevant normative documents. In accordance with the Articles of Association, we have established a comprehensive governance structure comprising the General Meeting of Shareholders, Board of Directors, Supervisory Board and the management, known as the "Three Governance Bodies and One Management". The Board of Directors has established four specialized committees: the Strategy and Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Each committee exercises its powers and functions in accordance with the respective rules of procedure of these specialized committees, providing professional opinions on major company decisions and offering strong support for the scientific decision-making of the Board of Directors.



In 2024, YIFI Laser formulated the Detailed Rules for the Special Meetings of Independent Directors. Going forward, we will further safeguard independent directors' working conditions, promptly communicate operational updates and significant matters to them, and ensure their right to information. This strengthens independent directors' supervisory role and enhances the scientific and rational decision-making of the Board.

YIFI Laser emphasizes the diversity of the Board of Directors, advocating for diversified composition and interdisciplinary knowledge backgrounds. The current Board consists of 9 members, including 3 independent directors. All directors possess solid professional backgrounds and industry experience in new energy batteries, mechanical engineering, accounting, law, and management, effectively ensuring the scientific decisionmaking of the Board.

Key Performance Indicators

During the reporting period

- The proportion of independent directors: 33.33%
- Supervisory Committee meetings held: 4
- Independent Directors' Special meetings held: 1
- Shareholders' meetings held: 3

Special Committee meetings held: 6

Board meetings held: 7



Investor Relations Management

YIFI Laser continuously improves the information disclosure system, actively maintains open communication channels with investors, protects investors' rights and interests, implements sustainable dividend policies, and diligently executes the "Enhancing Quality, Efficiency and Focusing on Returns" special initiative to bolster investor confidence.

Information Disclosure

In strict compliance with laws and regulations including the *Company Law of the People's Republic of China and the SSE STAR Market Self-Regulatory Guidance No. 1 - Standardized Operations*, we have established governance documents such as the *Articles of Association and the Information Disclosure Management System*. During the reporting period, we formulated the *Public Opinion Management System*.

Adhering to the principles of truthfulness, accuracy, completeness, timeliness, and fairness in information disclosure, we faithfully fulfill information disclosure obligations, continuously enhance the quality and transparency of information disclosure, and guarantee that all shareholders and creditors have equal access to the Company's information. Additionally, we have increased voluntary information disclosure. Meanwhile, we actively employ concise, clear, and easy-to-understand language, as well as diverse information presentation methods such as images and tables, to improve the readability of our periodic reports and interim announcements.

Key Performance Indicators

During the reporting period

· Disclosure announcements issued: 106



Investor Relations

YIFI Laser prioritizes investor relations management. Adhering to an "investor-centric" philosophy, we actively fulfill information disclosure obligations, strengthen investor communication, and effectively convey corporate value to ensure all shareholders have equitable access to Company information.



Safeguarding Investor Rights. In accordance with relevant laws, regulations, and normative documents, we have formulated the *Investor Relations Management System*. By scientifically defining the authority and responsibility boundaries of the General Meeting of Shareholders, Board of Directors, and Supervisory Board, we have established an efficient decision-making and supervision mechanism with clearly delineated responsibilities. This mechanism effectively safeguards the rights of all shareholders, particularly retail investors, to equally participate in corporate governance and fully share in the developmental achievements. During the reporting period, institutional investors and individual investors participated in voting at all 3 General Meetings of Shareholders held by the Company.



YIFI Laser has established a diversified investor communication platform, including an investor relations section on its official website, dedicated investor hotlines, and investor email addresses, to facilitate smooth communication channels with investors. We strengthen communication with investors through various means, including the SSE E-Interaction Platform, hosting investor research visits, regularly conducting earnings briefings, participating in broker strategy conferences, and conducting media interviews and publicity initiatives. We listen to investors' opinions and suggestions, maintain good relationships with them, and continuously enhance the transparency of the capital market.



YIFI Laser strictly adheres to profit distribution policy when formulating annual dividend plans and actively implements the "Enhancing Quality, Efficiency and Focusing on Returns" special initiative. We maintain dynamic equilibrium between operational development, performance growth, and shareholder returns by optimizing the investment return mechanism and balancing dividend distribution with reinvestment needs. This approach ensures that capital investments form a virtuous cycle with long-term value creation.



Brilliance:

Crafting Excellence

"Enhancing Quality, Efficiency and Focusing on Returns" Learning Session

Key Performance Indicators

During the reporting period

- · Interactive platform responses: 104
- · Investor hotline sessions: 74
- · Investor roadshows conducted: 30
- · Quarterly Earnings Briefings Conducted: 4
- · Inquiry/complaint resolution rate: 100%

Risk and Internal Control

YIFI Laser regards the continuous improvement of risk compliance management and internal control systems as fundamental to stable operations. By continuously optimizing the risk control system, we have established a risk internal control framework composed of compliance management, internal controls, and internal audits. This framework further urges internal departments to fulfill their fiscal and tax compliance responsibilities, fosters a compliance culture, and enhances awareness of risk and internal control management.

Risk Complia

- Compliance in operations is the prerequisite and key to high-quality development. We closely follow updates to laws and regulations, changes in regulatory requirements, and shifts in the market environment to timely revise or formulate new institutional documents related to compliance management to better adapt to the dynamic external environment and further improving the internal management level.
- YIFI Laser places great emphasis on the fulfillment of duties and risk prevention and control by directors, supervisors, and senior management—the "key individuals". During the reporting period, we actively organized them to participate in online and offline training sessions conducted by regulatory authorities to strengthen their compliance awareness.

YIFI Laser strictly implements the internal control system, continuously improving and optimizing relevant management systems and processes. In accordance

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- with the regulatory requirements for listed companies and guided by the risk-oriented principle, we regularly evaluate the effectiveness of internal controls to provide reasonable assurance for achieving internal control objectives. Meanwhile, all departments complete internal control self-assessment reports based on relevant management regulations.

 During the reporting period, YIFI Laser identified and addressed issues in the internal control system in line with internal control requirements and actual operational conditions, aiming to establish a scientific and effective internal control system and ensure orderly business operations. Additionally, we responded to material weaknesses identified in internal controls related to fundraising management and revenue recognition during the reporting period.
 - operational conditions, aiming to establish a scientific and effective internal control system and ensure orderly business operations. Additionally, we responded to material weaknesses identified in internal controls related to fundraising management and revenue recognition during the reporting period. Based on the assessment of material weaknesses in the financial reporting internal controls, as of the evaluation report benchmark date, no material weaknesses in financial reporting internal controls existed. The Board confirms that we have maintained effective financial reporting internal controls in all material aspects in compliance with the internal control standards and relevant regulations. Therefore, the internal control system is fundamentally sound, reasonable, and effectively implemented.



✓ YIFI Laser formulated the *Internal Audit System* to conduct audit inspections of business-related risks. The internal audit function is primarily managed by the Audit Department, which is staffed with full-time auditors. The Audit Department operates under the leadership of the Board, is accountable to the Audit Committee, receives supervision and guidance from the Audit Committee, and submits regular work reports. The Audit Department tracks internal control deficiencies and implementation issues identified during audits, urges relevant responsible departments to develop corrective actions with deadlines, and conducts follow-up reviews to ensure effective implementation of these measures. In the future, internal audit work will transition to normalized management by establishing an internal auditor team, adopting a rolling audit approach, and multi-dimensionally integrating the internal audit system into business operations.

Financial and Tax Management

During the reporting period, YIFI Laser formulated the System for Selecting and Engaging Accounting Firms and Invoice Management Regulations to further enhance the quality of audit work and financial information. By standardizing control activities in accounting and tax processes, we annually commission a third-party accounting firm to issue tax audit reports based on internal audit and annual report audit results, ensuring tax compliance and financial transparency. We continuously strengthen financial supervision and internal audits, intensify the management of raised funds, and guarantee compliant operations and tax compliance with integrity.

Key Performance Indicators

During the reporting period

- · Zero tax violations occurred
- No overdue payments to small and medium-sized enterprises, ensuring equal treatment



Party Building Leadership

YIFI Laser persistently promotes the deep integration of Party building with business operations. Guided by Party building, we drive business innovation, transformation and upgrading, encourage Party members to play a pioneering and exemplary role in major projects and business challenges, leading teams to overcome difficulties. Additionally, we emphasize combining Party building with corporate culture construction, integrating the Party's fine traditions into corporate culture. We actively organize Party building activities, implement thematic education for Party members, enhance ideological awareness, strengthen Party spirit cultivation and team cohesion, ensuring Party building and corporate development resonate at the same frequency to jointly advance high-quality development.

Key Performance Indicators

During the reporting period

Party member activities organized: 5





Thoroughly study, implement, and carry forward a series of new thoughts, new viewpoints, and new conclusions put forward by General Secretary Xi Jinping on comprehensively deepening reform, as well as the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China



Upholding Business Ethics

Brilliance:

YIFI Laser maintains a zero-tolerance stance towards corruption, strictly enforces anti-corruption policies to ensure the integrity and transparency of the operations. We firmly oppose all forms of monopolistic and unfair competition, adhering to market competition rules and fostering a healthy and orderly market ecosystem.

Anti-Corruption Management

YIFI Laser actively responds to national anti-corruption and integrity-building policies, attaching great importance to anti-commercial bribery and anti-corruption efforts. We have established a relatively comprehensive business ethics management system and are committed to building an upright business environment through system optimization, training and education, as well as supervision and inspection.

YIFI Laser conducts regular business process reviews, proactively carries out anti-corruption risk assessments, and continuously optimizes anticorruption management systems. Through effective anti-corruption management measures, we effectively prevent commercial bribery and corrupt practices. We have clearly defined integrity guidelines for employees in the Employee Handbook, requiring them to sign an Integrity Commitment Letter. We organize integrity training for employees to strengthen their awareness of integrity and self-discipline.

To ensure compliance and integrity in business activities, we require our partners to adhere to business ethics standards and require suppliers to sign Integrity Agreements. We take strict disciplinary actions against violators to promote the steady and sustainable development of our business. Additionally, we have established whistleblowing channels to encourage employees and partners to actively participate in supervision, ensuring that reported information is promptly verified and handled, while strictly protecting the identity of whistleblowers.

Anti-Monopoly and Fair Competition

To maintain a fair and just market environment and promote positive interactions with partners, we require all employees of the Company and its subsidiaries to strictly adhere to the anti-corruption management system and the fair competition principles, upholding honest and trustworthy business practices.

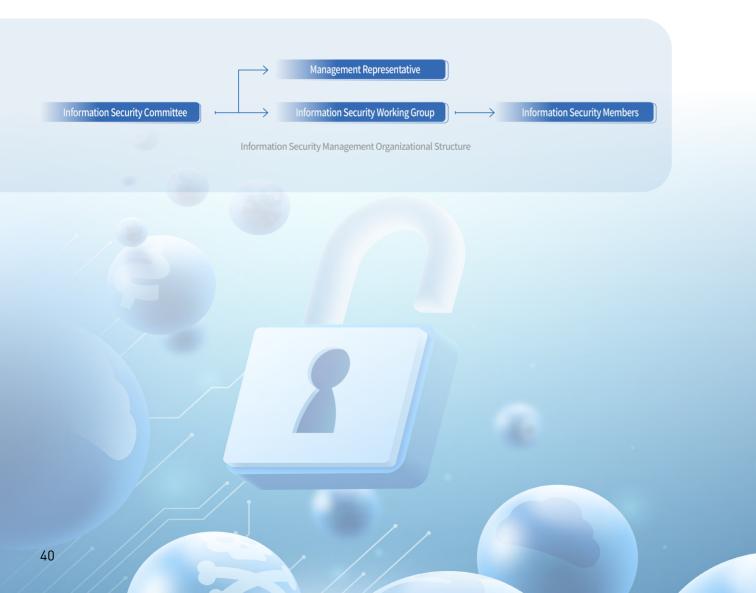


Protecting Information Security

YIFI Laser strictly complies with information security laws, regulations and institutional requirements, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. We have implemented comprehensive measures to strengthen information security defenses and established a robust information security management system. This system covers critical areas such as equipment security, network security, data security, as well as software and hardware security, ensuring multi-dimensional information security protection.

Information Security Governance

YIFI Laser has established comprehensive internal management systems including the *Information Security Management Policy*, the *Information Security Management Organization* and *Responsibilities*, the *Full Lifecycle Management System for Confidential Information*, and the *Information Security Behavior Norms (Policies) and Implementation Details for Rewards and Punishments*. We continuously optimize our information security management system and steadily enhance the level of customer privacy and data protection. We have established a three-tier information security management organizational structure consisting of the "Information Security Committee - Information Security Working Group - Information Security Members" and clearly defined the job responsibilities of each level.



Organization

Job Responsibilities of Information Security Management Organization

- Research and formulate corporate information security strategies and objectives, support and promote the development of information security work
- Review the Company's information security management system, approve information security policies, regulations, and related major matters
- Be responsible for communication on major information security issues and coordinate resources among various departments
- ty ⊘∣

 - Guide the execution and implementation of the information security work, supervise the information security work of
 various departments, and regularly report to the management
 - Conduct regular risk assessments, analyze the results, and promptly report any information security vulnerabilities to the management
 - Prepare the Measurement Methods, Cycles, and Target Values, organize information security inspections, check the execution of information security work in various departments, regularly hold information security work meetings, propose improvement measures for identified issues, and supervise their implementation
 - Conduct information security work in various departments according to the plans and requirements of the management group

Information Security Working Group

- Promote and implement the policies, objectives, strategies, norms, and implementation details of the information security management system, enhancing the information security awareness and skills of relevant personnel
- Be responsible for the specific execution of information security incident management, including contingency planning, drills, and incident handling
- Participate in and cooperate with regular risk assessments organized by the information security group, coordinate
 the implementation of rectification opinions, and implement relevant risk control measures

Information Security

- The leader is responsible for formulating the internal audit plan, assigning personnel responsibilities, and organizing all aspects of the internal audit work
- Conduct objective, fair, and independent audits of the information security implementation in the audited departments in accordance with the audit plan and arrangements, and issue corresponding audit reports

All Employees

- On daily work, actively cooperate with relevant departments to ensure the smooth implementation of information security management work in line with the Company's and center's information security requirements
- Technical development, IT operation and maintenance, technical service, and support positions are responsible for adhering to all information security requirements in their respective work and assuming corresponding responsibilities for information security execution

Information Security Management Organization Responsibilities



Information Security Risk Management

YIFI Laser prioritizes information security risk prevention and control, strictly complying with national information security regulations and industry standards. We have established a multi-layered security protection system covering "network boundaries—application systems—data assets", utilizing real-time intrusion detection, dynamic access control, and multi-layer encryption technologies to effectively block external attacks and mitigate risks of data tampering and leakage. Internally, we implement a "data classification authorization + tiered data encryption + log audit tracking" mechanism. All business systems configure access permissions according to confidentiality requirements to further ensure information security. In addition, the *Information Security Management Policy* clearly specifies risk management measures across multiple areas, including internal security management, computer management, network security management, and data center management.

Information Security Risk Management Measures

- The Information Department shall ensure systematic and physical backups of all information materials, with all such materials stored in encrypted format
- All departments shall conduct network virus monitoring and regular virus scans, promptly update virus databases and antivirus software to enhance overall network virus prevention capabilities
- © Establish network security emergency response plans. Immediately report and implement countermeasures for major network incidents to ensure rapid restoration of normal operations
- Strengthen information auditing by preserving and backing up network logs for a specified period, then analyzing them to identify security vulnerabilities
- The office shall establish a ledger for confidential and non-confidential removable storage media, with information security personnel responsible for their daily management and maintenance
- © Enhance password management by saving files with hidden passwords, ensuring all accounts are password-protected, and promptly removing accounts from the corresponding databases when they are no longer in use
- ⊘ Implement VPN controls for external access to reduce risks of virus attacks and commercial data theft



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YIFI Laser actively conducts information security training and cybersecurity emergency drills. Through comprehensive security knowledge learning and awareness course assessments, we enhance employees' security awareness and skills to ensure the safe and stable operation of business systems.



Information Security Training Course

Key Performance Indicators

During the reporting period

- The coverage rate for information security training among new employees reached 100%, with a 100% pass rate in the assessment.
- · Zero information security incidents or violations of relevant laws and regulations.





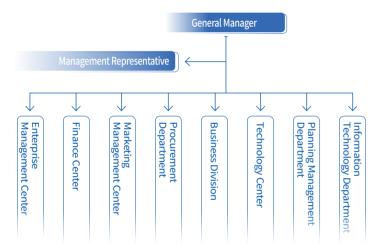
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Promoting Digital and Intelligent Operations

YIFI Laser empowers the transformation and upgrading of traditional industries through AI, informatization, and digital technologies. We continue to increase investment in digital operations management, comprehensively establish an internal information management platform, and promote the application of digital technologies in R&D innovation processes, laying a solid foundation for full-scale digital management.

Integration of Informatization and Industrialization Management

In accordance with institutional requirements such as the Requirements for the *Management System for the Integration of Informatization and Industrialization* and the *Classification Requirements for New Capabilities of the Management System for the Integration of Informatization and Industrialization*, and considering the actual operational situation, YIFI Laser formulated the *Management Manual for the Integration of Informatization and Industrialization* in January 2025, which improved the management system for the integration of informatization and industrialization, set up the management organizational structure for this integration, and clarified the main job responsibilities of relevant roles.



Organizational Structure of the Integration of Informatization and Industrialization Management



AAA for the Integration of Informatization and Industrialization Management System Certificate

The Integration of Informatization and Industrialization refers to the convergence of informatization and industrialization. We have adopted the policy of "strategy-led, technology-driven, intelligent manufacturing, and continuous improvement", accelerating the integrated development of information technology and manufacturing technology to provide customers with intelligent products or manufacturing solutions. Meanwhile, we apply digital and intelligent equipment, MES to enhance the Company's intelligent manufacturing management level and operation efficiency, striving to achieve intelligent manufacturing as soon as possible. During the reporting period, we obtained the AAA for the Integration of Informatization and Industrialization Management Systems Certificate.

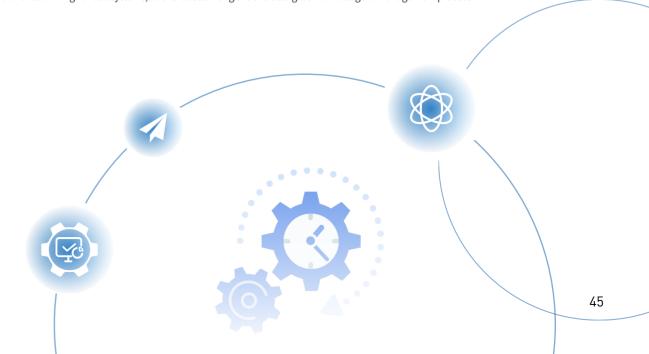


Digital-Intelligent Progress

YIFI Laser implemented a comprehensive digital management upgrade project, constructing a new group-level project operation and management platform that covers all aspects of production and operation, including finance, warehouse, quality, procurement, technology, sales, planning, and production. Our aim is to enhance the integration of business and finance, refine project cost management, increase project schedule transparency, and strengthen group-level operation and control capabilities.

Through the interconnection and seamless data flow including automatic transmission, collection, aggregation, and analysis, across systems such as PDM, OA, T100, and MES, we enable automated capture of process parameters related to personnel, machinery, materials, and methods in production operations. This establishes a fully digitized control system spanning R&D, production, quality, operations, and finance, covering all critical nodes across business processes. As a result, the digital management capabilities for production and operations are significantly enhanced.

In the future, YIFI Laser will complete the digitalization process for the operation monitoring platform, reporting platform, and WMS. Data sharing will be achieved among various systems, further accelerating the overall digital and intelligent management process.



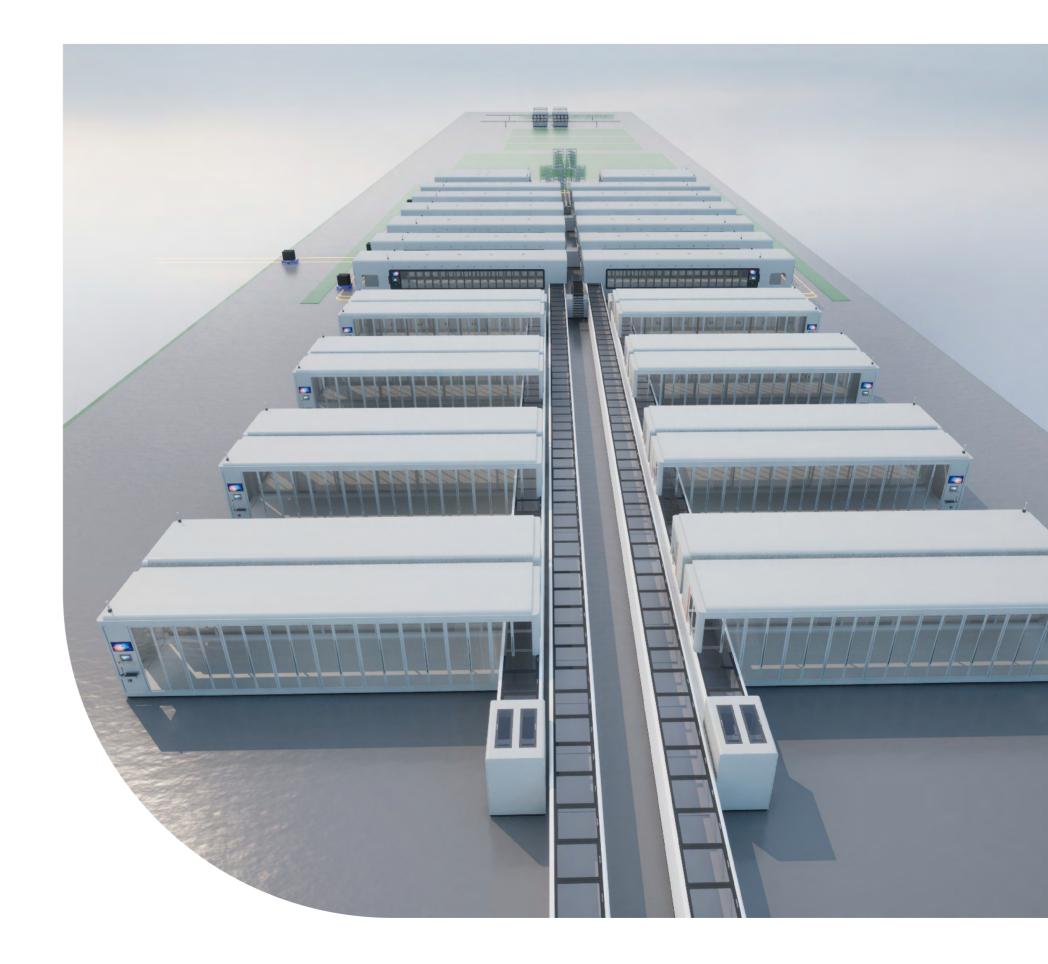
Brilliance: Crafting Excellence

YIFI Laser focuses on technological iteration and strategic planning in its core business areas, adhering to the three-dimensional innovation strategy integrating "laser technology + intelligent equipment technology + process applications". Upholding an application-oriented principle and following an innovation path guided by "demand-driven and technology-powered" approaches, we strengthen the dual-drive mechanism of innovation leadership and quality enhancement, truly implementing the business philosophy of "customer-centric, quality assurance, innovation-driven, and service-backed support".

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Contributing to the UN SDGs





Innovation-Driven Development

Since its establishment, YIFI Laser has consistently regarded independent innovation and technological R&D as the core driving forces. Adhering to the three-dimensional innovation strategy integrating "laser technology + intelligent equipment technology + process applications", we have developed a comprehensive technology and product system centered on precision laser processing technology and embodied in intelligent manufacturing equipment. Through sustained and stable investment in R&D, YIFI Laser has built a high-quality technological R&D platform, assembled a highly qualified R&D team, and achieved a series of significant accomplishments.

Innovation Platform

Leveraging national and provincial-level innovation platforms such as the National Industrial Design Center and the Hubei Provincial Engineering Research Center for Precision Laser Welding Technology, YIFI Laser is deeply involved in the construction of the new energy battery laser application industrial chain. We have established an Engineering Technology Research Institute that integrates "R&D innovation - engineering transformation - analysis and testing". Under the research institute, there are five major R&D directions: Precision Optical Devices and Systems R&D, Laser Process R&D, Special Laser Equipment R&D, Engineering R&D, and Intelligent Software R&D. 23 specialized laboratories have been set up, equipped with over 200 sets of advanced equipment, and offering 119 analysis and testing items. The institute is capable of providing a range of services to enterprises along the upstream and downstream of the new energy battery laser application industry chain, including R&D of core components for new energy battery laser welding equipment, analysis and testing services for laser welding processes, technology development services for new energy battery laser welding, engineering application verification services for new energy battery laser welding, and intelligent software R&D for new energy battery laser welding equipment. These services aim to drive the comprehensive development of the new energy industry chain.

Analytical Testing Center: 11 Labs

- CNAS Laboratory 1 (Yizhixincheng Preparation Phase)
- CNAS Laboratory 2 (Yizhixincheng Preparation Phase)
- CT Scanning Laboratory
- Reliability Analysis Lab 1
- Reliability Analysis Lab 2
- Reliability Analysis Lab 3
- Performance Testing Lab 1Performance Testing Lab 2
- Physical Analysis Laboratory
- Environmental Performance Laboratory
- Structural Analysis Laboratory

Process Validation Center: 1 Labs

Advanced Laser Processing Laboratory



Engineering Validation Center: 2 Labs

- Engineering Validation Center
- Disassembly Analysis Laboratory

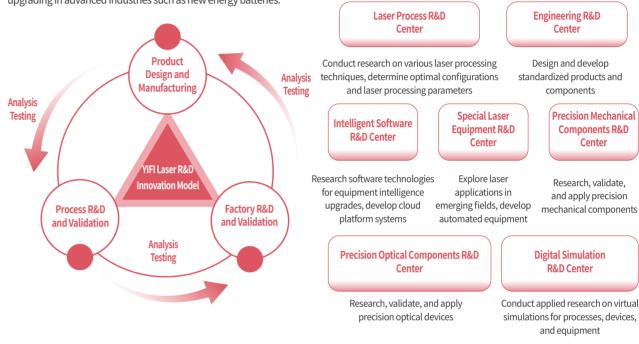
General Products Division: 9 Labs

- Intelligent Software R&D Center
- Laser Intelligent Control Laboratory
- Laser Precision Mechanics Laboratory
- Laser Digital Equipment Laboratory
- Optical Device Testing Laboratory
- Laser Precision Optics Laboratory
- 3D Experience Lab
- Laser Assembly Laboratory
- Precision Component Installation Room

Distribution of Laboratories in the Engineering Technology Research Institute

Innovation Mechanism

As the leading enterprise in the "New Energy Battery Laser Application Industrial Chain" in Hubei Province, we rely on the Engineering Technology Research Institute to establish a collaborative innovation system featuring the "integration of four chains" (industrial chain, innovation chain, capital chain, and talent chain). This has given rise to a novel "3+1" innovation model that integrates "process R&D and verification - engineering R&D and verification - product design and manufacturing" with "analysis and testing". This model comprehensively enhances the overall efficiency of technological innovation, achievement transformation, and industrialization, thereby supporting the innovation iteration and intelligent upgrading in advanced industries such as new energy batteries.



Continuity, Integrity, Reliability

Novel "3+1" Innovation Model

R&D Support

YIFI Laser ensures the continuous advancement of technologies and products through scientific project management, a highly qualified R&D team, and sustained high-level R&D investment, enabling rapid breakthroughs in new technologies and products.

Key Performance Indicators

During the reporting period

- R&D investment: RMB 92.64 million
- · R&D expenses as a percentage of revenue: 13.39%
- Number of R&D personnel: 430
- R&D personnel as a percentage of total employees: 43%



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Scientific Project Management

YIFI Laser has formulated R&D management systems such as the *R&D Project Management Process* to standardize the full project lifecycle, including planning, initiation, R&D, result verification, summary and archiving, along with the responsible departments and application forms involved at each stage. We develop scientific and reasonable R&D project plans, clearly defining project objectives, timelines, and resource requirements to ensure the orderly and efficient R&D execution. Additionally, we establish a risk early warning mechanism to promptly identify and address potential risks that may arise during the projects, thereby reducing the likelihood of project failure.

Innovative Talent Recruitment

Through a dual-driven approach of "high-end talent leadership + echelon cultivation", YIFI Laser has built a multidisciplinary R&D team spanning optics, mechanics, electrical engineering, materials science, and software. As of the end of the reporting period, the Company and its subsidiaries had a total of 430 R&D personnel, accounting for 43% of total employees. In terms of talent cultivation, we have built a collaborative innovation system integrating "industry-academia-research-application", creating a sustainable development ecosystem where leading talents who mentor teams and core talents who specialize deeply and young talents who grow rapidly. This sustainable development framework supports outstanding professionals in applying for various talent programs and professional certifications, providing strong talent guarantees for technological innovation. During the reporting period, Ran Changlin, Mi Renbing, and Cai Han'gang from YIFI Laser were appointed as technical experts for the Special Action on Patent Commercialization and Utilization by the China Patent Protection Association, to promote the industrialization of high-value patents and facilitate the transformation of scientific and technological achievements.

R&D Incentives



Refining the Incentive

Cultivating an Innovative

sense of honor and accomplishment. Furthermore, we offer additional rewards to R&D personnel who propose innovative ideas, improve technical solutions, obtain authorized patents or publish scientific papers to stimulate their enthusiasm for innovation.

We foster a culture atmosphere that encourages innovation and tolerates failure, inspiring R&D personnel to propose new ideas and

We foster a culture atmosphere that encourages innovation and tolerates failure, inspiring R&D personnel to propose new ideas and technologies. Moreover, we promote cross-departmental communication and collaboration to broaden the innovative thinking. We also encourage R&D personnel to actively participate in product launches, academic conferences, exhibitions, industry seminars to stay updated on the latest industry research findings and technological trends, thereby sparking innovative inspiration.

We establish a clear performance evaluation system that links R&D achievements with performance bonuses and annual rewards,

motivating researchers to actively conduct innovative R&D work while improving efficiency and quality. We also recognize

outstanding R&D individuals and teams through internal awards such as "Innovation Star" and "Best R&D Team," boosting their

Innovative Achievements

During the reporting period, YIFI Laser achieved substantial R&D outcomes, developing new technologies including high-dynamic laser processing systems, welding quality closed-loop monitoring systems, and precision customized laser conditioning systems. We also launched multiple new products such as PV perovskite equipment, structural component equipment, ultra-fast laser processing equipment, and laser grooving equipment. In the field of new energy battery equipment, we introduced a series of new products, such as the high-speed magnetic levitation full-tab large-cylindrical battery assembly line, square battery high-speed assembly line, fully automated square battery CTP module production line, next-generation cell structural component assembly line, sodium-ion battery intelligent equipment, and solid/semi-solid state battery intelligent equipment. In cylindrical battery equipment, we took the lead in the industry in overcoming technological challenges related to the cylindrical full-tab battery manufacturing, launching full-process equipment for the cylindrical full-tab cell assembly section and fully automated assembly for cylindrical full-tab cells. These solutions support production rates ranging from 3 to 360ppm and accommodate full-series cylindrical full-tab batteries with diameters of 18mm, 21mm, 32mm, 40mm, 46mm, and 60mm, effectively meeting the growing market demand for mass production of cylindrical batteries. Additionally, New Cohesion, the subsidiary specializing in lithium battery factory EPC solutions, officially released a semiconductor AMHS system, significantly accelerating the process of domestic substitution.

High-Speed Magnetic Levitation Large-Cylindrical Full-Tab Battery Production Line

During the reporting period, the intelligent assembly line for high-speed magnetic levitation large-cylinder full-tab batteries officially was rolled out after passing the Factory Acceptance Test (FAT) at our Central China manufacturing base and was delivered to the customer's factory. This production line incorporates the industry's first-of-its-kind magnetic levitation transmission technology, achieving a maximum high-speed transmission rate of 2,000mm/s in the main process sections. Combined with flying inspection technology and a comprehensive cleaning process, it enables high-efficiency, high-yield, high-precision, high-flexibility, intelligent operation, and low energy consumption, facilitating extreme manufacturing capabilities.

High Efficiency

- Conveying speed can reach up to 2,000mm/s, effectively shortening material transfer time and increasing transfer efficiency by more than 4 times
- By integrating flying inspection technology, production efficiency is improved by over 50% under the same mechanical design

High Yield Rate

- Adopting a new-generation machine vision intelligent inspection system for refined quality control
- Utilizing magnetic levitation transmission technology to control product positioning accuracy within 0.01mm

High Flexibility

- Achieving independent programming control of individual moving carriages through a magnetic levitation transmission system
- Compared with traditional logistics methods, the module changeover time is reduced by more than 50%

Intelligence

- An integrated intelligent operation and maintenance management platform enables full-process production monitoring
- Through big data interconnection, it can capture and alert abnormal situations such as equipment failures
 and personnel violations in real-time, with functions including power monitoring and automatic pressure
 detection and adjustment

Green and Low-Carbon

- Comprehensive energy consumption is reduced by more than 25% for equivalent requirements
- Low mechanical wear, no dust generation, and maintenance costs are reduced by more than 25%
- $\bullet \ \ \, \text{The equipment occupies a small footprint, significantly reducing lighting power and labor costs}$



Production Equipment for Repurposing and Echelon Utilization of Retired Power Batteries

We are committed to perfecting an integrated layout across the entire industrial chain, spanning from structural components, battery cells, module PACKs to recycling/dismantling equipment, and further to intelligent logistics equipment and systems for entire plants, as well as warehousing. We focus on researching production equipment for repurposing and echelon utilization of retired power batteries, which is applicable to the automated repurposing of retired power batteries for testing, dismantling, and the reassembly of battery packs in echelon utilization. This equipment boasts core advantages such as safe production, flexible production, battery cleaning, and intelligent management, helping to achieve an ecological closed-loop for the recycling of power batteries and reduce the carbon footprint throughout the full lifecycle of the new energy industry chain.

Safe Production

Conduct online inspection of battery appearance and specifications, performing multi-grade sorting and grouping of retired single battery cells. By integrating technologies such as digital online inspection, we achieve strict control over the consistency of repurposed batteries, meticulously managing each process step. Temperature monitoring, insulation protection, and automation of key processes are employed to ensure the safety of both personnel and equipment operation

Battery Cleaning

Employ advanced laser cleaning technology to efficiently remove residues such as blue film and paint from battery surface

Flexible Production

Adopt a reconfigurable unit and modular designs for components, combined with an intelligent flexible logistics system, to enable rapid layout and agile model changeover of production lines at the production site, effectively enhancing the product's scalability. This approach, utilizing reconfigurable units and modular design along with an intelligent flexible logistics system, facilitates quick production line setup and swift model transitions on-site, significantly improving the product's expansion capability

Intelligent Management

Utilize an MES-based information manufacturing system that not only enables traceability of production information for repurposed batteries but also provides an intelligent production foundation for enterprise production management and process optimization

EPC-Level Intelligent Logistics Solutions

The subsidiary, New Cohesion, leverages advanced software management systems and digital twin technology, possessing integrated hardware and software capabilities, providing one-stop EPC-level services of "whole-line logistics + intelligent manufacturing systems" to manufacturing enterprises. Through 3D virtual reality technology, New Cohesion provides three-dimensional simulation displays of factories, real-time reflections of factory production processes and operational statuses, thereby achieving digital factory visualization, and creating intelligent factories equipped with intelligent manufacturing and flexible production capabilities. It has taken the lead in achieving industrial applications in the fields of solid-state batteries and sodium batteries. During the reporting period, New Cohesion introduced three core systems for the semiconductor AMHS: Overhead Hoist Transport (OHT), high-speed tower lifters, and dense stockers for line-side storage. These innovations accelerate the process of domestic substitution, facilitating dust-free automatic handling under large-scale production conditions in semiconductor wafer fabs and promoting the intelligent, digital, and green development of the industry.



Overhead Hoist Transport (OHT)



High-Speed Tower Lifters (Tower)



Dense Stockers for Line-Side Storage

Case Study

Human-Centered Product Design

In addition to product performance, YIFI Laser prioritizes human-centered design principles. Due to the diversity in form and size of non-standard customized equipment, the equipment's HMI operating areas lacked uniform standards, often causing inconvenience for operators. To reduce occupational health risks for employees and enhance the comfort of equipment usage, we initiated an ergonomic optimization design for the equipment's HMI operating areas. This optimization focused on adjusting the height of the eye-to-display, shoulder-to-touchscreen and buttons, and elbow-to-keyboard, ensuring natural operation for most users and reducing fatigue. Currently, the ergonomic optimization design for HMI operating areas has been implemented across all of the non-standard customized equipment and continues to receive high praise from customers.



HMI Operation Zone Ergonomics Optimization Design

Intellectual Property Protection

YIFI Laser has formulated comprehensive intellectual property management regulations including the *Patent Management Measures*, the *Software Copyright Management Measures*, and the *Trademark Management Measures* to standardize the IP application, registration, utilization, and protection. Concurrently, we prioritize IP risk management by implementing specialized protocols such as the *Intellectual Property Risk Management Control Procedures* and the *Overseas IP Early Warning Mechanism (Regulations)*. These frameworks enable proactive monitoring of global IP disputes through domestic and international early warning systems, allowing us to track competitor activities in real-time while developing strategic measures for patent generation, technology utilization, and protection, effectively mitigating risks associated with redundant R&D and potential infringement.

Given the business growth and new technology R&D, there has been a steady increase in IP applications and grants in recent years, necessitating centralized management of patents and software copyrights to prevent technology leakage, while monitoring infringement risks and legal compliance dynamics in real-time, and safeguarding the security and commercial value of R&D investments. To this end, we constructed an intelligent IP management platform that integrates IP data across R&D, production, and legal functions. This system establishes a "collaborative creation and sharing mechanism" that accelerates technology reuse and innovation cycles while establishing a comprehensive management system covering IP application, maintenance, and enforcement. By leveraging structured categorization (patent databases and trademark databases) and intelligent search functionalities (full-text search and tag filtering), we have shortened R&D cycles (reducing the new product R&D cycle by 20%) and provided data support for strategic insights (analyzing the geographical distribution of patents). Additionally, through an open platform, we collaborate with upstream and downstream enterprises to promote the integration of "industry-academia-research-application."

Comprehensive Quality Management

Adhering to the business philosophy of "quality assurance" and abiding by the code of conduct of "Adhering to Operational Standards and Pursuing Zero Product Defects," YIFI Laser implements comprehensive quality management. We flexibly apply lean management methodologies to ensure the standardized development of customized products, as well as the reliability, safety, and sustainable development of non-standard products.

Key Performance Indicators

During the reporting period

- · Valid patents held: 455
- New patent applications: 154
- New paterit applications. 134
- Software copyrights held: 152
- New software copyright applications: 44
- New software copyrights granted: 54
- Trademarks registered: 26



· Invention patents: 103

New patents granted: 84

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Quality Management System

YIFI Laser places great emphasis on quality management and has formulated a quality policy that emphasizes "Stable Quality, Attentive Service, People-Oriented, Full Participation, Safety and Health, Environmental Protection, Innovation-Driven, Customer Satisfaction." We link the performance evaluations of senior management with KPIs related to quality management. We have obtained ISO 9001 Quality Management System certification, achieving 100% certification coverage in the non-standard industry. We conduct internal audits, management reviews, and external audits annually to maintain the system's effective operation. Additionally, to visualize the execution of the quality management system and its correlation with processes, we have developed a secondary process network diagram and compiled 40 secondary procedure documents, including the Control Procedure for Addressing Risks and Opportunities, the Control Procedure for Product Design, Manufacturing, and Delivery, the Control Procedure for Nonconforming Outputs, and the Control Procedure for Continuous Improvement Measures.



Quality Management System Certification

Full Lifecycle Quality Management

Guided by the SMART principles, we formulate clear and actionable quality control plans that align with the internationally recognized PMP project management certification. Leveraging a digital full-process management platform, we achieve full lifecycle quality management from product R&D to delivery and acceptance through organizational, ideological, institutional, technological, methodological, and informational safeguard mechanisms.

Project Management



Digital Full-Process Management Platform

Leveraging four intelligent systems: ERP, PDM, MES, and PLM, we achieve digital management throughout the full process from product R&D to delivery and acceptance. This enables us to swiftly meet customer needs, efficiently achieve project goals, and ensure high-quality completion of delivery and acceptance.



Integrated Production and Delivery Ecosystem, Forging a Comprehensive Manufacturing System

We integrate manufacturing with engineering delivery, creating an innovative and comprehensive manufacturing system that spans both manufacturing and delivery processes. This integration facilitates seamless communication between manufacturing and delivery, enhancing both manufacturing and delivery capabilities, and ultimately shortening project lead times.



One Central Hub, Building an Efficient Execution Network

Aligned with the internationally recognized PMP project management certification, we adopt a project-centric approach to drive the efficient execution of the full project lifecycle, encompassing product R&D, manufacturing, delivery, and after-sales service. By consolidating efforts, we build a highly cohesive and professional team dedicated to providing comprehensive project management services to our clients throughout the project journey.



Global After-Sales Teams and Professional Service

We have established dedicated after-sales teams both domestically and internationally to support global business operations. Based on decades of after-sales data storage and analysis, we have constructed a robust aftersales system that includes mail-in repair, replacement, and rapid response services. This system ensures that we can provide professional after-sales services to our customers worldwide.

International Certification PMP - Digital Management and Control Over the Full Project Lifecycle

Quality Management



- Feasibility Assessment of the Proposal
- OFMEA (Design Failure Mode and Effects Analysis)
- ✓ Output of Key Technical Indicators
- ODE Validation (Design of Experiments Verification)
- Operating Procedure) Manuals
- ✓ Cost-Benefit Analysis



- Maintenance of Qualified Supplier List
- Supplier Performance Evaluation
- Supplier Audit and Review

Supplier Research and Audits

- Supplier Coaching and Mentoring
- ✓ Supplier Continuous Improvement



- ✓ Inspection Specifications and SIP Standardization
- MSA and SPC Analysis
- ✓ PFMEA (Process Failure Mode and Effects Analysis)
- Conformity Assessment of Processing Drawings ⊗ 8D Methodology and Continuous Improvement
- Processing Technology Optimization



- ✓ Implementation of Inspection Standards and Frequency
- Assembly Precision Implementation Monitoring
- MSA and SPC Analysis

- ✓ Inspection Data Collection and Analysis



- ✓ Test Data Collection and Analysi
- ⊗ 8D Methodology and Continuous Improvement
- MSA and SPC Analysis



- ✓ FAT Test Report for Equipment
- Opelivery Process Supervision
- **⊘** Customer Training

- ✓ Delivery of Accompanying Documentation



- Collection of Customer Complaint Feedback
- Equipment Failure Analysis

Full Lifecycle Quality Management

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Quality Enhancement and Improvement

The Quality Management Department took the lead in organizing cross-departmental QCC teams, involving quality, production, and engineering personnel. The aim was to mobilize the enthusiasm of all employees to comprehensively improve quality. Under the organization of the QCC teams, during the reporting period, YIFI Laser approved 49 improvement proposals, such as the 50° Angle Detection Tooling for Rolling Wheels and the Installation of Anti-Interference Radar on 10T Forklifts. Employees were provided with bonuses or gifts as incentives for their continuous improvement efforts. Meanwhile, we established a supplier management process that covers the full lifecycle from introduction to replacement. This process enables us to promptly identify and urge suppliers to rectify non-conformities. For instance, under the guidance of quality management personnel and with the collaborative participation of suppliers, we significantly improved the defect rate of chrome-plated parts regarding rust defects. The predicted rate of rusting is expected to decrease by approximately 10%.

During the reporting period, YIFI Laser achieved a groundbreaking achievement in the acquisition of precision inspection instruments. Testing capabilities have been upgraded from an experience/inspection level to a guarantee/prevention level, with inspection accuracy improving from 0.01mm to 0.001mm. Five suppliers have seen their capability ratings upgraded from Grade C to Grade B. These advancements have driven significant improvements in core quality indicators, including the first-pass yield rate of outsourced raw materials, the first-pass yield rate of semi-finished products, and the first-pass qualification rate of factory-shipped items.



Installing Anti-Interference Radar on 10T Forklifts to Enhance Operational Safety

Due to the high rear end and long length of 10T forklifts, the blind spot for forklift drivers increases significantly when reversing, necessitating the assistance of another person to observe the surrounding environment. In dangerous situations, because 10T forklifts are fuel-powered and generate considerable noise, drivers often cannot promptly hear the commands from their assistants, leading to potential safety accidents. To address this issue, we installed anti-interference radar on 10T forklifts. This radar can effectively detect distances and provide simultaneous visual and audible alarms through lights and beeping sounds, with the beeping becoming more urgent as the object approaches. This solution not only reduces personnel costs but also enhances operational safety.

Quality Culture Construction

YIFI Laser formulates the quality policy and the *Ten Codes of Conduct for Employees*, clearly defining the overall commitment and direction for quality management. We encourage all employees to recite these guidelines during weekly morning meetings. Additionally, we create corporate quality culture display boards featuring topics such as Lean Six Sigma production promotion, an introduction to the five quality tools, and showcasing employee excellence, aiming to enhance employees' quality awareness.





Morning Quality Meeting

Quality Culture Display Board

Quality Training

YIFI Laser conducts annual internal and external training sessions on quality-related topics. For internal training, we have organized over 80 sessions through a combination of online multi-person training via the Zhuoyi Academy and offline OPL single-point education with PPT materials, covering more than 1,600 participants. In terms of external training, we have arranged for employees to participate in over eight training programs, including those organized by the Ezhou City Supervision Bureau, 5S visualization training, CNAS training on the criteria for the competence of testing and calibration laboratories, and quality diagnosis seminars hosted by the Provincial Quality Inspection Institute, reaching over 800 participants. As a result, the overall quality management skills of employees have significantly improved. The certification rate among employees in the Quality Management Department (Six Sigma Green Belt, engineers, and PMP) exceeds 40%, and the proportion of employees with practical operational skills rated at Level B or above has increased by approximately 30%.

Optimizing Customer Service

YIFI Laser adopts a customer-centric approach, with a service process comprising five key stages: initial contact to understand customer needs, technical discussions to formulate technical solutions, contract signing and manufacturing, progress tracking to ensure product delivery, and product operation to meet customer acceptance. We have established institutional norms for customer service management, including the *Control Procedure for Customer Satisfaction Measurement, After-Sales Management Control Procedure*, and *Customer Complaint Handling Procedure*.



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Enhancing Customer Satisfaction

YIFI Laser conducted customer satisfaction surveys at the pre-sales, in-sales, and after-sales stages to gauge customers' satisfaction levels throughout the full service process. This ensures accurate identification of customer needs and expectations. We classify and summarize unsatisfactory aspects from customer feedback and propose improvement measures, forming the *Analysis Report of Customer Satisfaction Survey*. We urge relevant responsible departments to implement rectifications and continuously enhance customer satisfaction. During the reporting period, we received numerous thank-you letters and honorary awards from customers, which not only serve as a full endorsement of our product quality and service standards but also act as a powerful driving force for us to continually improve.



OF week 2024 Lithium Battery Equipment Outstanding Brand



Gotion High-Tech 2024 Outstanding Supply Award



从此式选飞器光路会专作公司: **意报表的几个月时间里,按印七轮电源公司为定召集7公司**集 节共进, 共同走往了一段靠入自己的古作旅程, 好食性者, 北京者 飞台可能终境特别专业、高级、诚信的实业精神、自由行为证的人 个新院提供了坚实有力的支持。 2024年9月~10月,正是电源后司斯力克地客户的关键时期。 选飞力案组经理原准多次线上支持,并在关键时刻管保团队到达观 场,与我为人员共同领行客户产品,在股份复杂的法验和修匠工艺 以及产品智术发展的管理下,均出了很多建设性的意见和建议。每 决了本产心中积优生产实现困难的问题, 绝力电源公司 他 对下向 获取某户的中标通知书、在北、慈善进飞力紧张着供的现在分分离? 2024年((月产线详细方案设计阶段、集飞 如 设计信息回答符 有空间以及兼容 2 特产品的复杂需求下、按时按照的完成了专线 [3] 台设备的 知 设计、经过三方一起评审、最终抗进一维、非订份未补 证标题证 如 设计评审,与后特产或建设奠定了基础。在此、希腊地 2004年12月设备制进用限、电户费用用键设备12月20日报 价, 为俄证客户整体项目初每一个专点, 电源公司由报帐标志户 例1 代表网络飞彩游星地、在牧野 10 火的时间里、容易保证所有物

Partial Customer Thank-You Letters Received During the Reporting Period





Partial Customer Commendation Banners Received During the Reporting Period

Customer Complaint Handling

YIFI Laser establishes multiple complaint channels, including customer service hotlines, email, suggestion boxes, on-site complaint, and official accounts on social platforms, to receive customer complaints and feedback. Complaint handlers promptly record the complaint information, classify the complaints based on their content, and forward the information to the relevant business units for evaluation, analysis, and handling. If the complaint is determined not to be our responsibility, we will provide a detailed investigation and analysis report and respond appropriately to the customer. If the complaint is our responsibility, we will handle it according to the response requirements for different complaint levels. For general-level complaints, we will respond within 8 hours and resolve them within 48 hours. For important-level complaints, we will respond within 2-4 hours and provide feedback to the relevant departments for resolution. For major-level complaints, we will respond within 1 hour, prioritize ensuring the basic operational functionality of the equipment and propose a solution within 24 hours. For crisis-level complaints, we will immediately activate the emergency response mechanism, establish a dedicated handling team led by senior leaders, respond within 30 minutes, and ensure the restoration of equipment operation within 24 hours. We summarize complaint data monthly, analyze recurring issues, optimize equipment design or service processes, and provide training to employees to prevent similar issues from recurring in the future.

Responsible Supply Chain

YIFI Laser ensures the stable supply through a comprehensive supply chain management system and thorough supply chain risk management. We integrate sustainable development factors into the full process of supplier management, committed to building a responsible supply chain.

Supply Chain Governance

By optimizing supply chain organizational structure and management system, YIFI Laser has achieved full-process risk management from admission to exit. We sign long-term agreements with core suppliers to ensure the priority supply of critical materials while actively diversifying supply channels by introducing multiple suppliers for different types of equipment, effectively dispersing supply risks. To ensure effective control over the full procurement process, guarantee that the procured products meet specified requirements and production needs, we have further improved the *Control Procedure for Externally Provided Processes, Products, and Services* document, strengthening supplier management to ensure that suppliers can provide high-quality, reasonably priced materials on a long-term and stable basis.

Architecture Optimization

- Merge or split departments (e.g., procurement, supply chain) to reduce organizational layers and accelerate decision-making efficiency.
- Establish regional/global supply chain centers to accommodate business expansion or localization needs.

Strategic Alignment

 Implement a centralized procurement system to achieve subsidiary control and price sharing, reducing overall costs.

Functional Upgrading

Establish a supplier resource pool, enhance performance management and cost analysis, and continuously strengthen supply chain capabilities.

Core Objective

 Achieve a more efficient, agile, and risk-resilient supply chain system through structural adjustments.

Key Points of Supply Chain Organization Restructuring

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Supply Chain Management Strategy

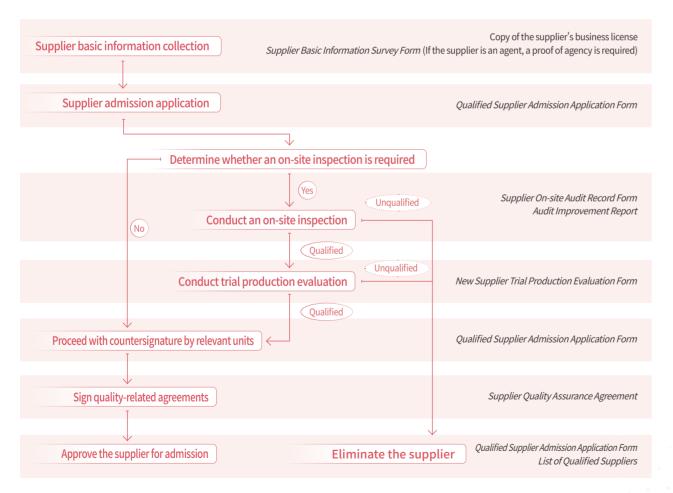
YIFI Laser reached strategic agreements with major customers, becoming their equipment strategic suppliers. This reflects the strategic layout of deep cooperation and mutual benefit with core customers. Suppliers are required to sign the *Supplier Integrity and Self-Discipline Commitment*, the *Supplier Basic Information Questionnaire*, and the *Confidentiality Agreement* to resolutely prevent corrupt practices and ensure the integrity and legality of procurement. As a member of the national standard working group for green supply chains, we actively participate in the formulation and promotion of green supply chain standards, driving the green and sustainable development of the supply chain. We are committed to establishing long-term and stable cooperative relationships with suppliers.



New Cohesion Supplier Conference

Supply Chain Risk Management

YIFI Laser has achieved refined management and control over the full lifecycle of suppliers by establishing a full-process risk management framework that encompasses supplier admission review, contract signing, performance evaluation, special audits, and exit/elimination processes. This ensures the stability and sustainability of the supply chain.



Full-Process Risk Management Flowchart from Supplier Admission to Exit



Supplier Admission Review

During the supplier admission application phase, we conduct a comprehensive verification of supplier qualifications. Specific measures include requiring suppliers to provide key qualification documents such as business licenses, production permits, quality management system certifications (e.g., ISO 9001), and environmental and safety certifications (e.g., ISO 14001/45001). Additionally, we perform an in-depth analysis of the supplier's financial stability, review any legal litigation records, and monitor public sentiment to identify potential risks, such as screening out potential "shell companies." Through this admission review process, we effectively select high-quality, reliable suppliers, ensuring a stable and reliable supply chain.



Supplier On-site Audit

We conduct further on-site audits for admitted suppliers, evaluating their production facilities, storage conditions, and safety management systems in person to ensure compliance with technical standards and safety production requirements.



Supplier Cooperation
Assessment

When signing contracts with suppliers, we clarify quality requirements, delivery timelines, confidentiality agreements, and liability clauses, embedding them into risk management clauses to ensure controllable risks during contract execution. By establishing a comprehensive regular performance evaluation system and setting key performance indicators (KPIs), such as on-time delivery rate, quality pass rate, and problem response speed, we regularly assess suppliers. The assessment results serve as an important basis for continuing or adjusting cooperation. We implement monthly and annual rating management for suppliers to dynamically monitor their performance. For high-risk suppliers, we conduct special audits focusing on their financial health, production stability, and compliance.



For terminated suppliers, we analyze historical risk events, summarize risk transmission patterns (e.g., the impact of financial crises on delivery), and archive supplier cooperation records and risk cases to form an internal knowledge base, providing references for future supplier selection.

Full-process Assessment of Supplier Risk Management

Risk Management for Stable Supply of Scarce Materials

YIFI Laser is committed to establishing long-term partnerships with core suppliers. By signing long-term agreements, we ensure priority supply of critical materials (core components) and regularly communicate with them to strengthen the collaborative bond. Meanwhile, we actively diversify supply channels by introducing multiple suppliers for different types of equipment, thereby building a rich pool of supplier resources and effectively dispersing supply risks.

Guiding Light: Green Empowerment

Adhering to the philosophy of green, low-carbon, and circular development, YIFI Laser takes environmental protection as its own responsibility, actively responds to climate change, continuously promotes the use of clean energy, and effectively advances environmental protection efforts through measures such as energy and resource management, as well as pollution prevention and control. By minimizing environmental impact, we take concrete actions to protect the environment and achieve sustainable green development.

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Contributing to the UN SDGs













Environmental Compliance Management

YIFI Laser strictly complies with environmental protection laws, regulations, and relevant standards. We have established a robust environmental management system, formulating procedural documents and internal management systems such as the *Quality, Environment, Occupational Health and Safety Management Manual*, the *Control Procedure for Identification and Evaluation of Environmental Factors*, and the *Control Procedure for Obtaining and Identifying Laws, Regulations, and Other Requirements*. We have constructed an environmental management framework led by the General Manager. YIFI Laser has set an overarching environmental goal of zero environmental pollution accidents and annually establishes specific control



nternal Auditor Training

measures for environmental targets, indicators and solutions. We are committed to controlling pollution emissions, conserving energy, and ensuring green and environmentally friendly operations. As of the end of the reporting period, the ISO 14001 Environmental Management System Certification remained valid, and no environmental accidents occurred.

YIFI Laser places great emphasis on the prevention and response to sudden environmental incidents. We regularly conduct environmental factor identification, formulate prevention and control measures for the identified environmental factors, establish response and control procedures for risks and opportunities, set up a mechanism for identifying and addressing environmental hazards, and conduct environmental inspections in an orderly manner.

In addition, YIFI Laser advocates for a paperless, green office and promotes green commuting. We centrally manage temperature control in office areas, reduce the consumption of printing paper, encourage the reuse of paper, implement waste sorting, and uniformly recycle waste batteries and other materials. We also organize environmental protection-related training to enhance employees' environmental awareness and promote eco-friendly behaviors, effectively controlling environmental risks and impacts.



ISO 14001 Environmental Management System Certification



Initiative for Green Office Environment Upgrade



Advocacy for Green Commuting

Addressing Climate Change

YIFI Laser is committed to pursuing green, low-carbon, and circular development. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have established a climate governance system across four dimensions: governance, strategy, risk management, and indicators and targets. We have integrated climate change response into the Company's strategy and are working to reduce environmental burdens, enhance our resilience to climate change risks, and seize climate-related opportunities by optimizing our energy mix, reducing emissions and carbon footprint and promoting green technological innovation.

Addressing Climate Change Governance

We have incorporated climate change governance into our ESG governance framework, clearly defining the responsibilities of the Board of Directors and management. By adopting a top-down approach, we are advancing our capabilities in addressing climate change.

Addressing Climate Change Strategy

In accordance with the TCFD framework's recommendations, we are conducting identification and assessment activities for physical risks, transition risks, and climate opportunities associated with climate change.

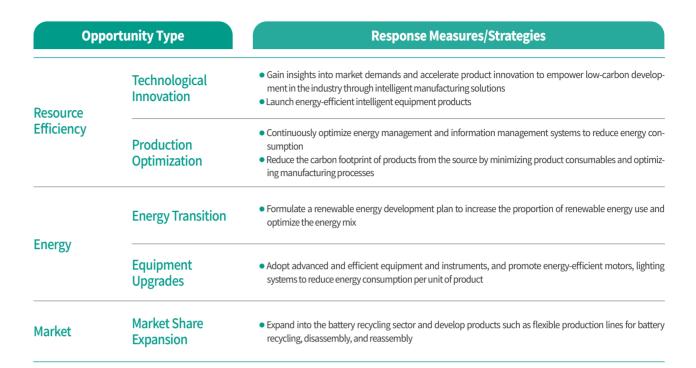
Climate Change Risk and Opportunity

Ris	sk Type	Risk Description	Impact Cycle	Financial Impact
Physical Risks	Acute Risks	Production interruptions, depreciation of fixed assets and labor losses caused by extreme weather (such as heavy rain, typhoons, floods, high temperatures, etc.)	Short-medium term	 Revenue reduction due to decreased operational capabilities Increased operating costs, admin- istrative expenses, and fixed assets maintenance costs
	Chronic Risks	Climate warming may lead to an increased risk of extreme weather events, which can severely impact critical public infrastructure. This directly or indirectly affects daily operations, increasing operational costs and safety risks	Long term	 Increased operating costs, admin- istrative expenses, and fixed assets maintenance costs
Transition Risks	Policy and Legal Risks	As environmental regulatory requirements are strengthened, we face growing pressure in terms of compliance	Medium term	Write-offs and early retirement of existing assets Increased operating costs and administrative expenses
	Technological Risks	To promote carbon emission reduction, substantial investment is required for the introduction of energy-saving and consumption-reducing equipment or clean technologies. Moreover, the uncertainty surrounding the development of new technologies may result in the inability to recoup early-stage investments	Medium term	 Increased R&D expenditures, leading to reduced profits Revenue reduction due to decreased output Increased capital costs, operating costs, and administrative expenses
	Market Risks	Affected by climate change, global energy transition, the prices of energy, water, and raw materials rise, leading to increased production costs. Customers increasingly prefer environmentally friendly products, increasing R&D costs and extending development cycles	Medium-long term	 Revenue reduction due to lost orders Increased operating costs and admin- istrative expenses
	Reputation Risks	If we do not actively engage in climate change response actions, we may not be able to meet stakeholders' expectations, resulting in damage to its own image and reputation	Short-medium term	 Increased operating costs and administrative expenses

Ris	sk Type	Risk Description	Impact Cycle	Financial Impact
Resource	Technological Innovation	Develop innovative technologies that reduce environmental impacts, enhance resource utilization efficiency, lower production costs, enable us to better adapt to market demands, empower low-carbon development in the industry, and boost competitiveness	Medium-long term	 Improve competitive position and increase revenue
Efficiency Production Optimization		Optimize production processes, promote lean manage- ment, and reduce resource waste through technological innovations to lower operational costs	Medium-long term	Decrease in operating costs
Energy	Energy Transition	Adopt renewable energy sources to reduce reliance on traditional energy, lower energy costs, and decrease carbon emissions	Medium-long term	Decrease in operating costs
	Equipment Upgrades	Phase out low-efficiency equipment and introduce energy- saving production equipment and technologies to reduce energy consumption during the production process	Short-medium term	Decrease in operating costs
Market	Market Share Expansion	Offer green and low-carbon products that align with customer preferences to increase market share	Medium-long term	Enter new and emerging markets, increase revenue

Climate Change Risk and Opportunity Response Measures

	Risk Type	Response Measures/Strategies		
Physical	Acute Risks	 Develop emergency response plans for extreme weather events, stockpile emergency supplies, and conduct regular emergency drills to enhance the emergency response capabilities Incorporate considerations of climate disasters and impacts into environmental impact assessments for new factory construction 		
Risks	Chronic Risks	 Assess the risks associated with potential extreme weather events and factor this into the selection of new sites for construction, mergers, and acquisitions Strengthen equipment maintenance management and optimize environmental protection management to reduce compliance costs and ensure stable operation 		
Transition Risks	Policy and Legal Risks	 Comply with climate-related policies and regulations, track industry policies, and promptly conduct research and analysis on relevant policies involving this risk Improve energy management system and dual carbon management system, and regularly inspect environ- mental protection work 		
	Technological Risks	 Regularly assess technological development trends within the industry, formulate technology introduction and upgrade plans, and conduct feasibility assessments and process control 		
	Market Risks	 Research alternative raw materials Explore strategic business cooperation models Proactively monitor customer needs and maintain close communication with customers 		
	Reputation Risks	Regularly disclose climate risk management status and strengthen communication with all stakeholders		



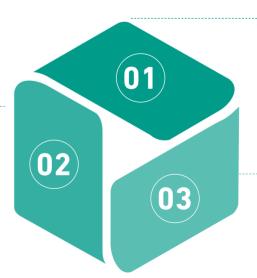
Addressing Climate Change Risk Management

Impact Assessment of Risks and Opportunities

Perform quantitative and qualitative analyses of risks and opportunities, including frequency of occurrence and risk level.

For identified material climate-related risks and opportunities, analyze their impacts on the disclosing entity's business operations and the resulting financial implications.

Based on the analysis results, evaluate whether measures need to be taken for risks and opportunities, and promptly revise the *Record Sheet for Identification, Analysis, Evaluation, and Response Measures of Risks and Opportunities.*



Risk Inventory and Identification

Conduct an initial inventory of climate-related risk and opportunity categories.

Establish identification and response methodologies and carry out risk and opportunity identification at least once a year to produce a list of climate-related risks and opportunities.

Response Measures for Risks and Opportunities

Strengthen climate risk response strategies and complete the *Key Risk Management Plan Form*.

Regularly monitor the progress of risk management and control improvements and assess the effectiveness of implemented response measures.

Risk and Opportunity Management Process

Addressing Climate Change Targets and Indicators

Disclosure Item	Unit	2024
Total greenhouse gas emissions (Scope 1)	tCO₂e	84.55
Total greenhouse gas emissions (Scope 2)	tCO₂e	1,010.48
Total greenhouse gas emissions (Scope 1+2)	tCO ₂ e	1,095.03
Greenhouse gas emission intensity	tCO₂e/RMB 10k revenue	0.016

Strengthening Energy Management

YIFI Laser and its subsidiaries primarily consume energy resources including purchased electricity, PV power generation, natural gas, gasoline, and diesel during the production and operations. We strictly adhere to energy-related laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, formulating the *Energy Conservation and Consumption Reduction Control Procedure* and following the principle of "expanding sources and reducing expenditures, giving equal importance to development and conservation, with priority given to energy conservation". We continuously improve the energy management system, are committed to reducing energy consumption, actively adopt energy conservation and emission-reduction measures, promote the use of clean energy, optimize production processes, and enhance energy utilization efficiency.



Electricity Conservation Signage

- Strengthen the technological transformation of electrical equipment, and gradually phase out and upgrade processes and equipment with high power consumption
- Operate electrical equipment in line with actual work conditions, turning them on only when needed to prevent idle operation
- Implement centralized control over the use of air conditioners in office areas. Set the temperature to above 26°C in summer and under 22°C in winter

- Energy-efficient fluorescent tubes are used for lighting in both office areas and factory premises

Energy

Management

Measures

- Strengthen manual control during non-working hours to reasonably regulate lighting in office areas
- Make full use of the roof space of the factory buildings to install distributed PV power stations for power generation



Clean Energy Replacement >

YIFI Laser is comprehensively promoting the use of clean energy for power generation. By installing PV power stations on the factory rooftops, we not only meet energy needs but also feed surplus electricity into the grid, gradually reducing the reliance on traditional energy sources. In the future, we will continue to advance PV power generation and consider incorporating PV energy storage to achieve a dynamic balance between power generation, energy storage, and electricity consumption. This will ensure a stable energy supply during extreme weather conditions or peak electricity usage periods, further enhancing the self-sufficiency rate of clean energy and energy utilization efficiency.

We have a total of two distributed PV projects with a combined installed capacity of 1,258.48 kW. During the reporting period, we self-consumed 958,329.29 kWh of PV-generated electricity, accounting for 77.53% of the total PV power generation. This is equivalent to reducing carbon dioxide equivalent emissions by 514.24 tons.





YIFI Intelligent PV Project

Jiangsu YIFI PV Project

Optimizing Resource Utilization

YIFI Laser has established a comprehensive resource management system. Through innovative management approaches, we continuously promote the efficient utilization and recycling of various resources.

Water Resource Management

Our water supply is entirely sourced from the municipal water supplies. We attach great importance to the sustainable utilization of water resources and strictly comply with relevant laws and regulations such as the Water Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Water Pollution. We formulate reasonable water-use plans, continuously strengthen water resource management, use water conservation appliances, and conduct regular inspections of taps and valves to reduce water waste caused by leaks or drips. We also post water conservation signage in office areas to encourage employees to save water.



Water Conservation Signage

Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

Message from the

About YIFI Laser

Laser-Inspired 2024

Annual Theme

Converge: Fortifying Foundations Brilliance: Guiding Light:
Crafting Excellence Green Empowerm

Sustain: Upholding Responsibility

Packaging Material Management

YIFI Laser integrates the concept of circular economy throughout the entire product lifecycle, continuously promoting the conservation of raw materials and the reduction of packaging materials. We disassemble, collect, and recycle the packaging boxes of incoming materials and purchased equipment. We reuse pallets, shelf material boxes, and turnover boxes, further reducing resource waste.





Reuse of Material Turnover Boxes

Recycling of Incoming Material Boxes

Compliance with Three Wastes Discharge

The main pollutants generated during the production and operation processes of YIFI Laser, and its subsidiaries are domestic sewage and solid wastes such as domestic garbage. We strictly adhere to national environmental protection regulations, formulating and implementing procedural regulations including the *Exhaust Gas and Wastewater Control Procedure*, the *Noise Control Procedure*, and the *Waste Management Control Procedure*, continuously optimizing the management system to ensure environmental compliance and reduce environmental impacts.

Waste Gas Management

Since the main production processes involve the assembly and commissioning of machinery, equipment, and related modules, almost no waste gas pollutants are generated during production. We primarily consider kitchen fumes from the canteen and road dust. We conduct regular inspections of the exhaust flues and fans for gas and waste emissions. Any faults are promptly repaired and eliminated, and regular maintenance is carried out. When sweeping roads, we use water to reduce dust. We also require engineering contractors to avoid dust generation at construction sites, supervise and inspect the waste gas management situation.

Wastewater Management

The wastewater is mainly domestic sewage, which is connected to the municipal sewage pipeline network and centrally treated by the municipal wastewater treatment facilities.

Waste Management

We classify and properly dispose of various wastes according to regulations to prevent environmental pollution. Solid wastes are mainly domestic garbage, which is classified as general solid waste. After unified collection, the domestic garbage is transported and disposed of by the local environmental sanitation department.

Ecosystem Protection

YIFI Laser strictly complies with the biodiversity-related laws and ecological protection red-line requirements in the locations where it operates, avoiding the establishment of factories or the conduct of business activities in biodiversity-sensitive areas. To minimize the impact on ecosystems, during the construction and operation of office buildings, we actively carry out landscaping and planting of native plants to protect the biodiversity within our facilities.









Key Performance Indicators

During the reporting period

· As of the end of the reporting period, the green coverage area exceeded 6.785 m²



Sustain: Upholding Responsibility

Talent is the core driving force for an enterprise's high-quality development, while responsibility serves as the crucial foundation for its sustainable operation. YIFI Laser has always adhered to the development philosophy of "people-oriented, striving for goodness". We respect the value of employees, safeguard their rights and interests, and care about their growth and well-being. We are committed to creating a fair, just, united, mutually supportive, safe, and orderly workplace ecosystem, offering a dignified, promising, and warm professional journey. Meanwhile, as a corporate citizen, YIFI Laser actively engages in industry collaboration and social welfare initiatives. We promote win-win cooperation, participate in community construction, care for vulnerable groups, and fulfill our solemn commitments to society. We believe that an enterprise's success lies not only in its technological and market leadership but also in its responsibility and actions to create value for employees and bring benefits to society.

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Contributing to the UN SDGs













Employee Rights and Benefits

YIFI Laser consistently adheres to the talent philosophy of "people-oriented", combining it with the corporate culture of "professionalism, efficiency, and collaboration". We continuously optimize talent employment mechanisms, safeguard employees' basic rights and interests, build a diverse and inclusive working environment, and create a professional atmosphere that fosters a sense of belonging and motivation.

Equal Employment

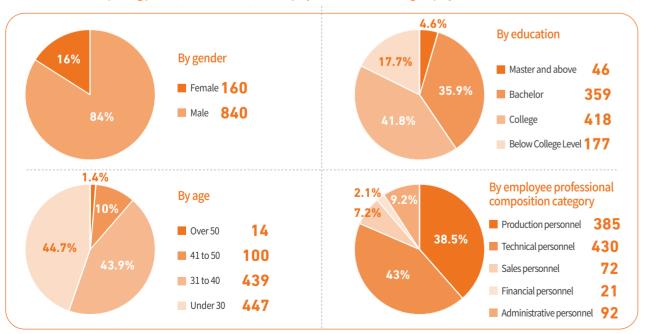
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YIFI Laser strictly abides by national laws and regulations such as the *Labor Law and the Labor Contract Law*. We have formulated and implemented the *Employee Handbook*, which covers key aspects including recruitment, hiring, labor contract management, attendance systems, holiday arrangements and explicitly prohibits the employment of child labor. We adopt diverse employment forms, including full-time employees, outsourced employee, and hourly workers. Among them, non-full-time employees are uniformly dispatched by third-party labor service companies, which are also responsible for salary and insurance payments, ensuring compliant implementation of relevant rights and interests and providing institutional guarantees for employment.

Centering around the organizational construction goal of "efficient and professional", YIFI Laser adheres to a talent strategy of being "small but excellent". By combining internal selection with external recruitment, we optimize the organizational structure and promote highly matched job placements. Meanwhile, we meet flexible production line requirements through project-based employment and establish a re-employment mechanism to ensure continuity of key experienced positions. Gradually, we have formed an employment system with full-time employees at the core and flexible employment as a supplement. During the reporting period, the annual turnover rate of core positions was controlled within 3%, and the organizational structure remained stable.

Faced with the current talent structure dominated by male employees and those with engineering backgrounds, we are consciously promoting structural optimization, gradually increasing the proportion of female employees, advancing gender equality and job diversity, and fostering an inclusive organizational culture.

As of the end of the reporting period, YIFI Laser had 1,000 employees with the following employee structure:



Key Performance Indicators

During the reporting period

- · Number of employees: 1,000
- · Labor contract signing rate: 100%
- Ethnic minority employees: 17 · De
- Demobilized military veterans: 5



Compensation and Benefits

YIFI Laser has formulated a scientific compensation management system in accordance with relevant national laws and regulations, considering local and industry salary levels, as well as factors such as employee job levels, positions, and performance evaluations. Through compensation and benefit policies like equity incentives and performance bonuses, we aim to maximize employee motivation and arouse their work enthusiasm and creativity. A multi-layered compensation and incentive system covering monthly, annual, and long-term aspects has been established:

Monthly Compensation

Comprises basic salary, performance pay, position allowance, welfare subsidies, and attendance bonus.

Annual Incentives

Include performance-based year-end bonuses, with company-wide bonus pool calculation followed by departmental redistribution.

Special Awards

Project incentives are set up for patent applications, management improvements, 5S excellence evaluations and technological R&D.

Long-term Incentives

Completed a round of equity incentives (employee stock ownership + strategic placement).

For compensation distribution, YIFI Laser adheres to the principle of "performance-oriented, ensuring fairness". The annual turnover rate of core employees is controlled within 3%, continuously enhancing employee stability and a sense of belonging.

Democracy and Communication

YIFI Laser attaches great importance to fostering employee participation and establishing effective communication mechanisms. We have set up employee suggestion boxes to collect opinions and suggestions. Additionally, we regularly organize employee symposiums and conduct administrative service surveys to listen to feedback from junior staff. This forms an internal closed-loop management mechanism that strengthens two-way communication between management and employees.



Employee Suggestion Box



Employee Representative Symposium



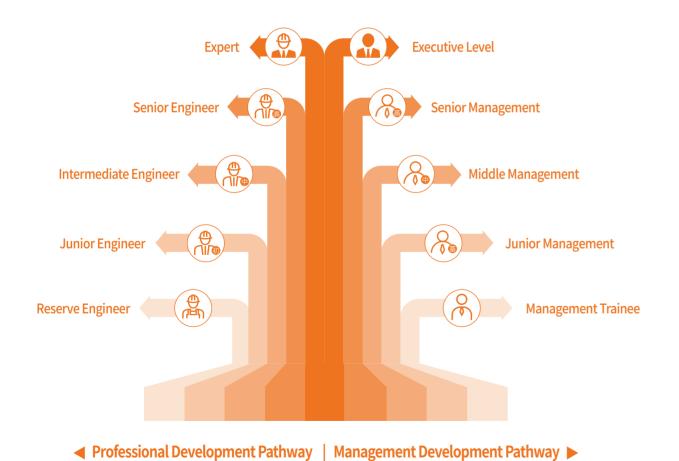
Public Notice of Surveys

Employee Training and Development

YIFI Laser has constructed a talent development system based on job sequence management, driven by performance evaluation, and centered around capability building. We are committed to creating an organizational mechanism where talent growth resonates with enterprise development, continuously promoting mutual empowerment between employees and the Company.

Employee Promotion and Development

YIFI Laser clearly distinguishes between dual-track career development paths: the professional track and the management track. A promotion and evaluation mechanism oriented towards job capabilities and value creation has been established. Through job standards, qualification requirements, and promotion evaluation methods covering various functional sequences, we continuously optimize talent structure and enhance the quality of talent succession planning for key positions. At the organizational level, the Company coordinates and advances the "Nestling Eagle - Flying Eagle - Golden Eagle" three-stage talent cultivation project. Around job value, capability potential, and strategic alignment, a multi-tiered talent pool is constructed. Through diverse talent identification methods and growth paths, structured and systematic talent supply is achieved. The internal job rotation mechanism, as an important part of cadre training, is closely linked with job promotions and capability development, enhancing cross-boundary organizational collaboration and talent adaptability.



Dual-Track Career Development System

Performance Evaluation and Grievance

YIFI Laser has established a performance management system centered on strategic drivers, capability development, and value orientation, encompassing goal setting, assessment, and feedback throughout the entire employee lifecycle. The performance management approach integrates the Balanced Scorecard (BSC) and Key Performance Indicator (KPI) methodologies to deeply align individual employee goals with organizational strategy. The assessment system combines monthly and annual evaluations, comprehensively assessing employees' performance in areas such as business outcomes, capabilities and competencies, organizational alignment, and continuous growth. Evaluation dimensions are flexibly adjusted based on job characteristics to enhance the relevance and effectiveness of performance results.

To ensure the fairness and credibility of performance assessments, we have implemented a calibration mechanism for evaluations and formal grievance procedures, guaranteeing that results are horizontally fair and vertically consistent within the organization. Employees can provide feedback and lodge grievances regarding their performance results through formal channels, reinforcing the openness, transparency, and results-orientation of performance communication. Performance results are not only utilized for incentive distribution but also serve as a crucial basis for talent identification, training planning, and career development management, thereby constructing an integrated performance application system that combines "evaluation, development, and utilization".



Performance Management System

Employee Empowerment and Training

Guided by the core principles of "role-driven, strategy-oriented, and categorized and layered", YIFI Laser has constructed an institutionalized and systematic employee training and empowerment mechanism. The training system encompasses key elements such as curriculum planning, instructor management, resource allocation and effectiveness evaluation. We have formulated the *Annual Training Plan* and *Training Management System* to provide normative support, forming a closed-loop training management process that is organized, goal-oriented, and evaluation-based.

Aligned with the full employee lifecycle and organizational development stages, we have established a layered and categorized training system that covers the onboarding of new employees, in-post capability enhancement, comprehensive quality cultivation for managers, and growth support for high-potential talents. The training system is deeply integrated with job sequences, career paths, and performance management, promoting the alignment of employee capability improvement with organizational goals. Through the synergy of online "Zhuoyi Academy" platform and offline brand courses, combined with job training maps and career development paths, we have constructed a multi-scenario and multi-level learning platform.

YIFI Laser continues to advance the internal instructor system and collaborate with external faculty to enrich the supply of training resources. We also incorporate the achievement of training objectives into the performance management process, enabling systematic management and results-orientation of training initiatives. During the reporting period, the Company completed multiple special training programs focusing on key groups such as middle managers, business backbones, and high-potential personnel, achieving full coverage targets and positive feedback, thereby enhancing organizational learning capabilities and employee development momentum.

Three-Eagle Training Program	Training Targets	Main Training Methods	Corresponding Objectives
Nortling Eagle	New Employees	Onboarding training camp, Mentorship system, system training	Integrate into the organization, understand the rules, become competent in the position
Nestling Eagle	Junior Employees	Skill enhancement, qualification certification, job rotation practice	Improve competency, accumulate experience
Flying Eagle	Middle Managers	Youth training camp, project management, communication and collaboration training	Strengthen management capabilities, undertake higher responsibilities
Golden Eagle	Senior Managers	External forums, MBA support, strategic seminars	Strengthen strategic thinking, lead organizational development

Employee Training System





YIFI Laser "General Laser Product Explanation and Process Application Training"



Jiangsu YIFI Optical Fiber Insertion & Extraction Training





Jiangsu YIFI Motion Mechanism Assembly and Wiring Process Training



New Cohesion Energy Trend Project Training

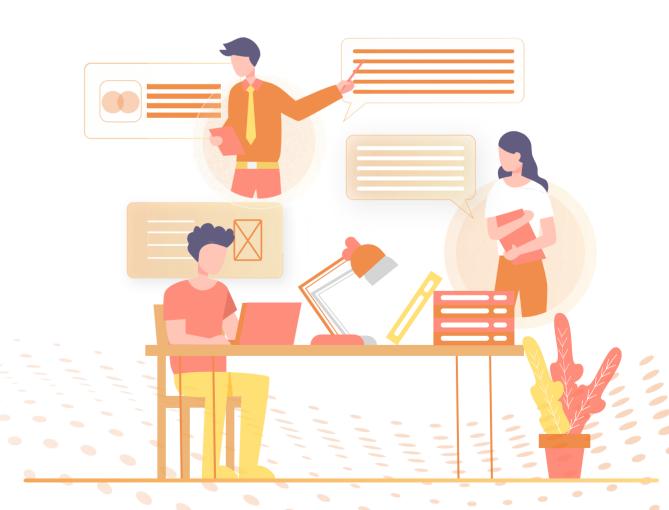
Key Performance Indicators

During the reporting period

- · Employee training coverage rate: 100%
- · Total employee training hours: **8,350.75**
- · Average training hours per employee: 8.35
- · The number of employees trained: 2,844



YIFI Laser incorporates professional title evaluation and occupational qualification certification as important components of the employee capability development program. Through institutionalized application organization, policy guidance, and resource support, we encourage employees to achieve continuous growth in their professional paths. We focus on engineering technology and frontline skilled positions, coordinating the recognition of professional titles and skill levels, and improving the closed-loop management system of "training - practical operation - evaluation - certification". We are gradually establishing a professional capability evaluation mechanism that covers core positions. Meanwhile, we actively explore collaborations with human resources and social security departments to develop occupational qualification pathways, promoting standardized and visible career development and enhancing talent professionalism.



Workplace Safety and Health

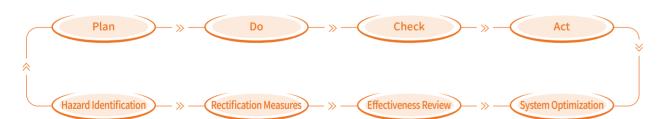
YIFI Laser consistently adheres to the management principle of "safety first, prevention-oriented" and has established a comprehensive, wellstructured, and rigorously enforced safety production and occupational health management system. We have set the occupational safety and health management objectives of "zero fatal accidents and zero occupational hazard accidents", continuously enhancing the intrinsic safety level to safeguard employees' lives, physical health, and mental well-being.

Workplace Safety Management

YIFI Laser has established an occupational health and safety management system that covers the headquarters, business centers, and subsidiaries, and has obtained ISO 45001 occupational health and safety management system certification. Each year, we organize internal audits and continuous improvement initiatives for the system. We integrate quality, environmental, and occupational health and safety management into a unified operational framework, forming a comprehensive management system coordinated by the EHS Committee and jointly advanced by various centers and subsidiaries. During the reporting period, YIFI Laser initiated the construction of a safety production standardization system, gradually incorporating safety performance into the operational management evaluation system. Each business unit has designated full-time or part-time safety officers responsible for implementing various safety systems, maintaining records, conducting routine inspections, and ensuring closed-loop rectifications to guarantee the effective execution of management measures.

Safety Hazards Prevention

YIFI Laser constructed a closed-loop safety management mechanism of "Plan - Do - Check - Act", encompassing the entire process from system construction, hazard identification, special rectifications, education and training, to emergency drills. We implement 5S management and safety visualization construction, enhancing on-site management levels through measures such as area identification, setting up warning lines, and equipment protection modifications. Forklifts in workshops have been fully equipped with warning radars and safety light curtains. Key equipment is designed with features such as two-hand start, safety locking, and radiation protection.



Safety Management Closed-Loop Mechanism

Safety Visualization Construction

Before Rectification



Equipment electrical box lacks usage instructions, responsible person and department labels

After Rectification



Equipment electrical box now displays operating instructions and clearly marks circuit usage guidelines and responsible party

Before Rectification



Support column missing reflective

After Rectification



Reflective stickers added to support

Before Rectification



The fire-fighting equipment and fire exit passages are obstructed, with no usage

After Rectification



passages unobstructed with prominently displayed fire hydrant usage guidelines

Before Rectification



The fire-fighting equipment and fire exit Pedestrians and logistics vehicles are not separated in the workshop aisles

After Rectification



Logistics passages have been planned in the workshop, with separate paths for pedestrians and vehicles

A three-tier mechanism of "daily inspections by departments, weekly inspections by centers, and monthly inspections" is implemented for routine safety checks. The inspection scope covers key areas such as the work environment, facilities and equipment, electrical safety, and fire management. Any identified hazards are promptly addressed through closed-loop rectification. Meanwhile, dedicated spots for protective equipment are set up in workshops, equipped with safety helmets, safety ladders, fire extinguishers, emergency medicines, winter warmthkeeping supplies, etc., to enhance the response capability at the work site.

In terms of safety improvement, we promote multiple safety-specific enhancement projects each year, including laser equipment upgrades and optimization of hazardous chemicals storage. These efforts drive the transformation of safety management from passive prevention and control to proactive prevention.

Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

Message from the About YIFI Laser Laser-Inspired 2024 Annual Theme

Converge: Brilliance: Guiding Light: Sustain: Appendix

Chairman

Chairman

Upholding Responsibility



Safety Helmet Storage Area



Forklift Equipped with Distance Alarm and Zone Warning Lights



Fire-Fighting Facilities Location Map



Workshop Emergency First-Aid Kit

Safety Training and Drills

YIFI Laser formulates an annual safety training plan covering all employees and key positions, integrating centralized awareness campaigns, scenario-based drills, and hands-on training during the "Safety Production Month." The content encompasses laws and regulations, job-specific safety, and emergency response. During the reporting period, we organized and implemented multiple corporate and departmental-level emergency drills, covering the headquarters, the engineering center, the manufacturing center, the research institute, and various subsidiaries. The drills involved fire evacuation, the use of fire extinguishers and fire hydrants, cardiopulmonary resuscitation (CPR), and the handling of sudden equipment malfunctions, achieving a 100% training coverage rate. Laboratories were equipped with dedicated explosion-proof devices, hygrometers, oxygen concentration detectors, heat-resistant suits, and fire prevention equipment to enhance risk control capabilities in high-risk areas.

Training/Drill Type	Coverage Target	Implementation Frequency
Safety Production Month Training	All employees	June every year
Job-Specific Training	Special operation personnel, laboratory staff	Conducted continuously
Fire Drill	All employees (headquarters & subsidiaries)	Annual & irregular intervals
Emergency Response Drill	Departments (manufacturing, R&D, engineering)	Quarterly or semi-annually
Equipment Operation Safety Training	Operators, maintenance personnel	Organized when new equipment is launched

Safety Training and Drill System Diagram

Case Study

2024 "Safety Production Month" Campaign

In June 2024, centered around the theme of "Everyone Talks Safety, Everyone Knows Emergency Response", YIFI Laser organized a series of "Safety Production Month" campaigns to comprehensively strengthen employees' safety awareness and emergency response capabilities. The campaign was uniformly deployed by the EHS Committee, with the Administrative Department taking the lead in organization, covering the headquarters and all business units.

At the kick-off meeting, middle and senior management of the Company signed safety target responsibility agreements, clarifying job-specific safety responsibilities and management objectives. Safety education and training were conducted in a dual mode of "offline explanation & online platform". Through the "Zhuoyi Academy" platform, all employees were organized to learn the hidden danger identification system and operational skills. On-site procedure explanations and practical drills were carried out in workshop frontlines to ensure that the training content was closely tailored to job positions and reached every individual.

During the campaign, YIFI Laser organized multiple emergency drills, including a fire evacuation drill at the research institute, a forklift accident drill at the manufacturing center, a mechanical injury drill at the engineering center, and an elevator entrapment response drill in the industrial park. These drills covered various scenarios and departments, comprehensively honing emergency response capabilities. All departments conducted hazard identification and safety hidden hazard inspections, rectifying issues against records within specified deadlines. The closure rate of rectifications reached over 98%, further enhancing the on-site intrinsic safety level.



Fire Drill



Forklift Emergency Accident Drill



Elevator Entrapment Drill



Mechanical Injury Drill



Safety Production Month Knowledge Competition

To enhance interactivity and the effectiveness of knowledge transfer, we innovatively organized a "Safety Knowledge Spot-the-Error Competition". Through the form of identifying hidden dangers in pictures, employees were guided to grasp key points of risk identification from practical scenarios. A total of 17 safety improvement proposals were collected from frontline business operations and have been incorporated into the annual improvement plan.

Key Performance Indicators

During the reporting period

- · Conducted 4 safety emergency drills
- · Hazard identification and rectification rate exceeded 98%
- Safety training coverage rate reached 1009



Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

Message from the About YIFI Laser Laser-Inspired 2024 Annual Theme

Converge: Brilliance: Guiding Light: Sustain: Appendix

Chairman

Chairman

Upholding Responsibility

Occupational Health and Employee Well-being

YIFI Laser prioritizes occupational health in daily management. Through annual health examinations, occupational disease screenings and job risk assessments, we comprehensively grasp employees' health status. For high-risk positions, we provide professional protective equipment. In critical areas such as laboratories and locations with laser equipment, dedicated protective systems are installed in accordance with national standards. We also pay attention to employees' mental health, delivering psychological support services through labor union and third-party resources, such as health lectures, emotional management and stress-relief activities. For radiation protection, we have established a radiation safety management system and emergency response plans. A special leading group has been set up to ensure that positions using equipment such as lasers and ultraviolet light comply with the national protective standards. All relevant facilities have passed inspections and registration.

Health Monitoring:

Annual physical examinations, occupational disease screenings

Psychological Support:

Labor union lectures, health counseling, stress-relief activities for employees, and introduce third-party psychological service resources in some industrial parks



Personal Protection:

Equip employees with appropriate PPE tailored to their job roles, such as earmuffs, gloves, masks, etc.

Environmental Control:

Ventilation equipment, laser radiation protection, laboratory explosion-proof systems

Occupational Health Assurance Mechanism







Specialized Air Conditioners and Fans in the Workshop

Employee Care and Engagement

YIFI Laser prioritizes integrating employee care into daily management, aiming to enhance employees' sense of belonging and organizational cohesion through multi-tiered and diverse welfare benefits. While placing importance on universal welfare, we also pay attention to the differentiated needs of employees from various ethnic and cultural backgrounds, gradually enriching the welfare offerings and expanding coverage. We have established a comprehensive welfare system including six major categories: statutory benefits, daily subsidies, health care, cultural activities, special welfare, and assistance for those in need:

Statutory Benefits

 Provide employees with the five social insurances and housing provident fund as stipulated by national regulations, annual leave, marriage leave, maternity leave, paternity leave, and bereavement leave.

Allowances and Subsidies

 Transportation allowances, working meal subsidies, communication allowances, seniority-based subsidies, perfect attendance bonuses, festival benefits, and project subsidies.

Health Support

• Arrange annual health check-ups for employees and regularly conduct health seminars.

Cultural Development

- Organize team-building activities, trips, basketball matches, badminton club activities.
- Offer humanistic care such as birthday wishes, customized birthday meals, and festival gifts.

Special Welfare

 Establish a talent subsidy system, provide employee dormitories and free shuttle bus services, and offer discounted health check-ups for employees' families, as well as recommendations for educational resources for their children.

Assistance for Those in Need

 Set up a hardship assistance fund to provide financial aid to employees facing economic difficulties due to major illnesses or accidents.

Case Study

Official Launch of the New Residential Area at Jiangsu YIFI

During the reporting period, the new residential area at Jiangsu YIFI was officially launched, further improving the supporting facilities for employees' daily lives and enhancing their working and living environment. The new residential area is equipped with a staff canteen, garden-style public rest spaces, and multi-functional sports facilities, including standard basketball and badminton courts, enriching employees' leisure time and promoting their physical and mental well-being. Regarding catering services, we have designated a daily staff dining area. Meanwhile, based on employee feedback, the canteen's menu structure has been optimized to offer a wider selection of dishes, improve nutritional balance and flavor satisfaction, significantly enhancing the overall dining experience and strengthening employees' sense of identity and belonging to the corporate environment.







Jiangsu YIFI New Residential Area Garden, Badminton Court, and Basketball Court





Goddess Festival Event







New Cohesion Outdoor Green Health Team-Building Activity

Autumn Hiking Activity for Female Employees in Xishan District









New Cohesion Hiking Activity on the Ancient Trail of Junzhang Mountain





Jiangsu YIFI "YIFI Cup" Basketball Match

Jiangsu YIFI Retirement Ceremony

YIFI Laser consistently adheres to lawful and compliant employment, respects employee diversity, and actively implements policies promoting ethnic equality. In daily management, we prioritize creating a fair and inclusive work environment for employees from all ethnic backgrounds, fostering a corporate culture characterized by unity, mutual assistance, and harmonious progress.



YIFI Laser Recommended as "Advanced Collective for Ethnic Unity and Progress in Hubei Province" •

In February 2025, YIFI Laser was recommended by the Ethnic and Religious Affairs Commission of Hubei Province as an "Advanced Collective for Ethnic Unity and Progress in Hubei Province". This honor acknowledges the Company's efforts in implementing ethnic policies, safeguarding the equal rights and interests of ethnic minority employees, and fostering a harmonious work environment.



Notice on the Recommended Entities for the Title of "Advanced Collective for Ethnic Unity and Progress in Hubei Province'

Industry Cooperation and Development

Adhering to an open and win-win approach, YIFI Laser has deeply integrated itself into the industry's development ecosystem by establishing strategic partnerships with industrial chain partners, engaging in industry-university-research project collaborations, participating in industry associations, taking the lead in standard formulation, and organizing or participating in technical seminars. During the reporting period, YIFI Laser officially entered into a strategic cooperation with Songshan Lake Materials Laboratory to further explore the industrialization paths for new materials, processes, and equipment for lithium batteries. Additionally, New Cohesion signed a strategic cooperation agreement with Schneider Electric, with both parties pooling their strengths to jointly construct demonstration projects related to intelligent manufacturing.





Ezhou City Science and Technology Program



Key Technology Research on Scanning Point-Ring Laser Welding for Large Cylindrical Lithium Battery Module



Complete the upgrade, optimization, and integrated debugging of high-power point-ring lasers and laser scanning welding systems, accomplish pilot testing and acceptance of newly developed technologies



Zhenjiang HIT High-End Equipment Research Institute, Jiangsu University

Selected Industry-University-Research Collaboration Projects During the Reporting Period

Case Study

YIFI Laser and Songshan Lake Materials Laboratory Officially Established Strategic Cooperation

From October 16 to 18, the 5th China New Materials Industry Development Conference, hosted by the Chinese Materials Research Society, took place in the Wuhan Economic and Technological Development Zone. At the event, a strategic cooperation signing ceremony was held between YIFI Laser and Songshan Lake Materials Laboratory. The strategic collaboration aims to focus on the core development needs and ecological construction goals of the new energy battery industry. By leveraging the scientific research strengths of Songshan Lake Materials Laboratory and YIFI Laser's precision laser processing expertise, the parties will jointly develop novel structured electrodes and laser micromachining technologies based on the YIFI Laser Engineering Technology Research Institute platform. This partnership will accelerate breakthroughs in key solid-state battery processes and commercialization.



Strategic Cooperation Signing Ceremony between YIFI Laser and Songshan Lake Materials Laboratory









Exhibition of Signed Strategic Partnership Agreements (New Cohesion)

Standards Formulation

YIFI Laser actively contributes to drafting industry standards. As of the end of the reporting period, we have participated in the compilation of a total of 43 standards, including 2 national standards, 22 group standards, and 19 enterprise standards.

Participation in Industry Associations

YIFI Laser actively engages in industry associations, taking on roles such as Council Member and Deputy President to proactively contribute insights and recommendations for industry development. We facilitate the formulation and implementation of industry-friendly policies, effectively serving as a bridge to promote win-win cooperation within the industry.

Association	Participating Body	Membership Level
China Welding Association	Wuhan YIFI Laser Co., Ltd.	Executive Council Member, Deputy Chairman Unit
Hubei Laser Industry Association	Wuhan YIFI Laser Co., Ltd.	Deputy President Unit
Wuhan Laser Association of Optics Valley of China	Wuhan YIFI Laser Co., Ltd.	Deputy President Unit
Hubei Mechanical Engineering Society	Wuhan YIFI Laser Co., Ltd.	Executive Council Member
China Machinery Industry Federation	Wuhan YIFI Laser Co., Ltd.	Member
Hubei Software Industry Association	Wuhan Dayan Software Co., Ltd.	Member
China Industrial Association of Power Sources	Wuhan YIFI Laser Co., Ltd.	Member

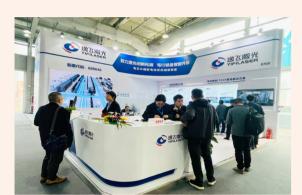


Appendix

Promoting Industry Exchange

During the reporting period, YIFI Laser participated in 24 domestic and international industry exhibitions, promoting in-depth exchanges and collaboration across the industrial chain through product demonstrations, technical seminars, and business negotiations. Meanwhile, we actively engaged in multiple summit forums, sharing industry insights and practical expertise to drive technological advancement and foster ecosystem synergy.

Partial Exhibitions and Forums Participated in During the Reporting Period



ESIE 2024 International Energy Storage Summit & Exhibition



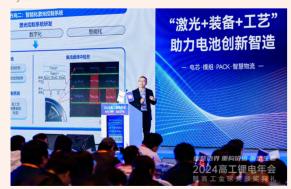
The 17th High-Tech Lithium Battery Industry Summit



CeMAT2024 Asia International Logistics Technology and Transportation Systems Exhibition



CBIS 2024 9th International Summit on Power Battery Applications



2024 High-Tech Lithium Battery Annual Conference



Optics Valley Laser Industry Chain Development and Innovation Conference

Social Welfare and Charity

YIFI Laser demonstrates a strong commitment to supporting the education and fostering students' learning and development through donations of materials and funds. We are deeply committed to social welfare undertakings, focusing on areas such as education, health, and poverty alleviation, giving back to society through charitable donations and other means.

In 2022, Jiangsu YIFI participated in the "Party Building Leads the Way, Dreams Take Flight" charity student aid activity organized by the Zhenjiang New Area Aerospace Industry Park, donating RMB 20,000 to support the development of the local education. In 2023, YIFI Laser donated 60,000 bottles of mineral water, with a total value of RMB 54,000, to the 16th Hubei Provincial Middle School Games, providing refreshing support for student athletes. Additionally, we donated school supplies to underprivileged students at Mayidui Central Primary School in Linxiang District, Lincang City, Yunnan Province, helping them to better complete their studies.

In 2024, YIFI Laser has continued to strengthen the efforts in supporting education through social welfare, actively engaging in the field of charity and philanthropy. In July, we donated student reading textbooks to the Wuhan East Lake High-Tech Development Zone Charity Federation to support the extracurricular reading expansion of all students at the Affiliated Primary School of Huazhong University of Science and Technology., helping children to enrich their knowledge base, broaden their horizons, and cultivate reading interests and learning abilities. In November, we made another donation to the Wuhan East Lake High-Tech Development Zone Charity Federation, providing student grants to support the development of local education and other public welfare undertakings, contributing to the improvement of educational conditions and promoting the fairness and accessibility of educational resources.

Key Performance Indicators

During the reporting period

- · The total donation amount was approximately RMB 166.500
- · In July, donated **4,118** student reading textbooks (valued at RMB **66,502.3**) to the Affiliated Primary School of Huazhong University of Science and Technology.
- · In November, donated RMB 100,000 to the Wuhan East Lake High-Tech Development Zone Charity Federation





Key Performance Table

Financial Performance

Indicator	Unit	2022	2023	2024
Revenue	RMB million	538.96	697.20	692.07
Total assets	RMB million	1,349.03	2,475.91	2,822.62
Net profit attributable to shareholders of the parent Company	RMB million	93.89	101.12	24.33
Tax paid	RMB million	29.27	30.91	18.73
Amount paid for share repurchases (excluding transaction fees)	RMB million	-	-	83.07
Total cash dividends distributed (tax included)	RMB million	-	31.05	12.20

Governance Performance

Indicator	Unit	2024
Board & Committee Governance		
Number of board members	Person(s)	9
Number of independent directors	Person(s)	3
Proportion of independent directors	%	33.33
Board meetings held	Number	7
Number of proposals reviewed by the Board of Directors	Number	36
Shareholders' meetings held	Number	3
Number of proposals reviewed by the Shareholders' General Meeting	Number	15
Supervisory Committee meetings held	Number	4
Number of proposals reviewed by the Supervisory Committee	Number	17
Disclosure announcements issued	Number	106
Investor Relations Management		
Interactive platform responses	Number	104
Investor hotline sessions	Number	74
Investor roadshows conducted	Number	30
Inquiry/complaint resolution rate	%	100
Business Ethics		
Concluded corruption lawsuits filed by regulatory authorities against the Company or the employees	Case(s)	0
Unfair competition litigation/material penalties	Case(s)	0

Environmental Performance

Indicator	Unit	2024
Environmental Compliance Management		
Environmental violations and penalties	Case(s)	0
Environmental protection investment	RMB million	1.18
Water Resource Management		
Total water consumption	Tonne(s)	88,240
Energy Management		
Natural gas consumption	m ³	10,619
Gasoline consumption	L	15,901
Diesel consumption	L	10,377.05
Purchased electricity	MWh	1,883.11
Self-consumed PV electricity	MWh	958.33
Addressing Climate Change		
Scope 1 GHG emissions	tCO ₂ e	84.55
Scope 2 GHG emissions	tCO ₂ e	1,010.48
Total greenhouse gas emissions (Scope 1+Scope 2)	tCO ₂ e	1,095.03
Greenhouse gas emissions intensity (Scope 1+Scope 2)	tCO₂e/ RMB 10k revenue	0.016

Note: 1.The calculation method for greenhouse gas emissions refers to the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020) and 2006 IPCC Guidelines for National Greenhouse Gas Inventories, with carbon dioxide equivalent emissions calculated based on Global Warming Potential (GWP) values. Scope 2 emissions calculated using location-based method with grid emission factors from Announcement on China's Regional Grid CO Emission Factors (2022)_ issued by the Ministry of Ecology and Environment.

2.As the Company acquired a 51% stake in Wuxi New Cohesion Technology Co., Ltd. on June 27, 2024, New Cohesion has become a controlling subsidiary of the Company. The statistical time frame for its environmental performance data is from July to December 2024.

Social Performance

Indicator	Unit	2024
Employee Rights		
Labor contract signing rate	%	100
Employee Employment		
Total employees	Person(s)	1,000
——By gender		
Male	Person(s)	840
Female	Person(s)	160
——By age		
50 years and above	Person(s)	14
41 to 50 years	Person(s)	100
31 to 40 years	Person(s)	439
30 years and below	Person(s)	447

Converge: Fortifying Foundations

Social Performance

Indicator	Unit	2024
——By education		
Master's degree and above	Person(s)	46
Bachelor's degree	Person(s)	359
College diploma	Person(s)	418
Below college diploma	Person(s)	177
——By professional category		
Production personnel	Person(s)	385
Technical personnel	Person(s)	430
Sales personnel	Person(s)	72
Financial personnel	Person(s)	21
Administrative personnel	Person(s)	92
——Diversity		
Ethnic minority employees	Person(s)	17
Demobilized military personnel	Person(s)	5
Performance Management		
Performance appraisal rate for key positions	%	100
Employee Training		
Employee training coverage rate	%	100
Total training hours	Hour(s)	8,350.75
Average training hours per employee	Hour(s)	8.35
Total training attendees	person-times	2,844
Occupational Health and Safety		
Number of work-related injury incidents	Case(s)	11
Number of work-related injuries	Person(s)	11
Workdays lost due to injuries	Day(s)	15
Number of work-related fatalities	Case(s)	0
Fatalities in work-related accidents	Person(s)	0
Work-related fatality rate	%	0

指标	单位	2024年
Occupational Health and Safety		
Safety training coverage rate	%	100
Total safety training hours	Hour(s)	27
Contractor work-related injury incidents	Case(s)	0
Contractor work-related injuries	Person(s)	0
Contractor work-related fatalities	Case(s)	0
Fatalities in contractor accidents	Person(s)	0
Coverage rate of occupational health examinations	%	100
Employees diagnosed with occupational diseases	Person(s)	0
Supply Chain Management		
Total number of suppliers	Number	1,000+
Information Security and Privacy Protection		
Information security incidents or violations	Case(s)	0
Innovation Drivers		
R&D investment	RMB million	92.64
R&D investment as % of revenue	%	13.39
Number of R&D personnel	Person(s)	430
R&D personnel ratio	%	43
Valid patents held	Number	455
Invention patents	Number	103
New patent applications	Number	154
New patents granted	Number	84
Software copyrights held	Number	152
New software copyright applications	Number	44
New software copyrights granted	Number	54
Trademarks registered	Number	26
Social Contributions		
Social welfare investment	RMB million	0.17

Indicators Index

GRI Indicators Index

Statement of use: YIFI Laser has reported the information cited in this GRI Content Index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards.

GRI 1 usedGRI 1: Foundation 2021

GRI Standards		Disclosure	Chapter Reference
	2-1	Organizational details	About YIFI Laser
	2-2	Entities included in the organization's sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-5	External assurance	Independent Assurance Statement
	2-6	Activities, value chain and other business relationships	About YIFI Laser Responsible Supply Chain
	2-7	Employees	Employee Rights and Benefits Key Performance Table
	2-9	Governance structure and composition	Reinforcing Corporate Governance Enhancing ESG Governance
	2-10	Nomination and selection of the highest governance body	Reinforcing Corporate Governance
	2-11	Chair of the highest governance body	Refer to 2024 Annual Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Enhancing ESG Governance
	2-13	Delegation of responsibility for managing impacts	Enhancing ESG Governance
GRI 2:	2-14	Role of the highest governance body in sustainability reporting	Enhancing ESG Governance
General Disclosures 2021	2-15	Conflicts of interest	Refer to YIFI Laser 2024 Annual Report
	2-16	Communication of critical concerns	Enhancing ESG Governance
	2-17	Collective knowledge of the highest governance body	Enhancing ESG Governance
	2-19	Remuneration policies	Refer to YIFI Laser 2024 Annual Report
	2-20	Process to determine remuneration	Refer to YIFI Laser 2024 Annual Report
	2-22	Statement on sustainable development strategy	Message from the Chairman
	2-23	Policy commitments	Upholding Business Ethics
	2-24	Embedding policy commitments	Upholding Business Ethics
	2-25	Processes to remediate negative impacts	Upholding Business Ethics
	2-26	Mechanisms for seeking advice and raising concerns	Upholding Business Ethics Employee Rights and Benefits
	2-27	Compliance with laws and regulations	Key Performance Table
	2-28	Membership associations	Industry Cooperation and Development
	2-29	Approach to stakeholder engagement	Enhancing ESG Governance

GRI Standards		Disclosure	Chapter Reference
	3-1	Process to determine material topics	Enhancing ESG Governance
GRI 3: Material Topics 2021	3-2	List of material topics	Enhancing ESG Governance
•	3-3	Management of material topics	Enhancing ESG Governance
	201-1	Direct economic value generated and distributed	Key Performance Table
GRI 201:	201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	Refer to YIFI Laser 2024 Annual Report
	201-4	Financial assistance received from government	Refer to YIFI Laser 2024 Annual Report
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Annual Theme: Building a Chain-Integrated Innovation Ecosystem, Accelerating High- Quality Development of Laser Industry
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Upholding Business Ethics
GRI 207:	207-1	Approach to tax	Refer to YIFI Laser 2024 Annual Report
Tax 2019	207-2	Tax governance, control, and risk management	Refer to YIFI Laser 2024 Annual Report
	302-1	Energy consumption within the organization	Key Performance Table
GRI 302:	302-3	Energy intensity	Key Performance Table
Energy 2016	302-4	Reduction of energy consumption	Strengthening Energy Management
	302-5	Reductions in energy requirements of products and services	Innovation-Driven Development
	303-1	Interactions with water as a shared resource	Optimizing Resource Utilization
GRI 303:	303-2	Management of water discharge-related impacts	Compliance with Three Wastes Discharge
Water and Effluents 2018	303-3	Water withdrawal	Key Performance Table
	303-5	Water consumption	Key Performance Table
	305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change
GRI 305:	305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
Emissions 2016	305-4	GHG emissions intensity	Addressing Climate Change Key Performance Table
	305-5	Reduction of GHG emissions	Strengthening Energy Management
GRI 306:	306-1	Waste generation and significant waste-related impacts	Compliance with Three Wastes Discharge
Waste 2020	306-2	Management of significant waste-related impacts	Compliance with Three Wastes Discharge

Converge:

Fortifying Foundations

GRI Standards Disclosure Chapter Reference Employee Rights and Benefits Benefits provided to full-time employees that are not provided to temporary or part-time employees **Employee Care and Engagement** Employment 2016 Occupational health and safety management system Workplace Safety and Health 403-2 Hazard identification, risk assessment, and incident investigation Workplace Safety and Health 403-3 Occupational health services Workplace Safety and Health 403-5 Worker training on occupational health and safety Workplace Safety and Health GRI 403: Occupational Health Promotion of worker health Workplace Safety and Health 403-6 and Safety 2018 Prevention and mitigation of occupational health and safety Workplace Safety and Health impacts directly linked by business relationships Workers covered by an occupational health and safety 403-8 Workplace Safety and Health management system 403-9 Work-related injuries Key Performance Table 403-10 Work-related ill health Workplace Safety and Health Average hours of training per year per employee Key Performance Table GRI 404: Programs for upgrading employee skills and transition assistance programs 404-2 **Employee Training and Development Training and Education 2016** Percentage of employees receiving regular performance and career development reviews Key Performance Table GRI 405: **Diversity and Equal** Diversity of governance bodies and employees Reinforcing Corporate Governance Opportunity 2016

Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange-Sustainability Report (For Trial Implementation) Indices of Guidelines Topics

Dimension	Торіс	Clause	Chapter Reference
	Addressing climate change	Articles 21-28	Addressing Climate Change
	Pollutant discharge	Article 30	Compliance with Three Wastes Discharge
	Waste disposal	Article 31	Compliance with Three Wastes Discharge
F du	Ecosystem and biodiversity protection	Article 32	Ecosystem Protection
Environment	Environmental compliance management	Article 33	Environmental Compliance Management
	Energy utilization	Article 35	Strengthening Energy Utilization
	Water resources utilization	Article 36	Optimizing Resource Utilization
	Circular economy	Article 37	Optimizing Resource Utilization
	Rural revitalization	Article 39	Social Welfare and Charity
	Social contributions	Article 40	Social Welfare and Charity
	Innovation	Article 42	Innovation-Driven Development
	Ethics of science and technology	Article 43	Not Involved
	Supply chain security	Article 45	Responsible Supply Chain
Community	Equal treatment of SMEs	Article 46	Risk and Internal Control
	Product and service safety and quality	Article 47	Comprehensive Quality Management
	Data security and customer privacy	Article 48	Protecting Information Security
	Employees	Article 50	Employee Rights and Benefits Employee Training and Developmen Workplace Safety and Health Employee Care and Engagement
Sustainability-related governance	Due diligence	Article 52	Responsible Supply Chain
	Stakeholder engagement	Article 53	Enhancing ESG Governance
	Anti-commercial bribery and anti-corruption	Article 55	Upholding Business Ethics
	Fair competition	Article 56	Upholding Business Ethics

Wuhan YIFI Laser Co., Ltd. 2024 ESG Report

Message from the About YIFI Laser Laser-Inspired 2024 Annual Theme

Converge: Brilliance: Guiding Light: Sustain: Appendix Crafting Excellence Green Empowerment Upholding Responsibility

Independent Assurance Statement

AA1000 Independent Assurance Statement

To the Management and Stakeholders of YIFI Laser:

Shanghai REALIZE ESG Corporate Services Co., Ltd. (hereinafter referred to as "REALIZE ESG") was commissioned by Wuhan YIFI Laser Co., Ltd. (hereinafter referred to as "YIFI Laser") to conduct an independent limited assurance on the YIFI Laser 2024 Environmental, Social, and Governance Report (hereinafter referred to as the "ESG Report") and to disclose the assurance results and conclusions to the readers and stakeholders of the ESG Report through this independent assurance statement.

Scope of Assurance

- The assurance period is limited to the information and data disclosed in the ESG Report covering the period from January 1, 2024, to December 31, 2024. Any related information outside the reporting period is not within the scope of this assurance.
- The assurance covers the data and information in the ESG Report related to YIFI Laser and its subsidiaries, excluding data and information from YIFI Laser's suppliers, partners, and other third parties.
- Evaluating whether YIFI Laser's ESG report fails to comply with the AA1000AS v3 principles of inclusivity, materiality, responsiveness, and impact.
- Information and data that have already been audited or verified by independent third-party organizations are not subject to repeated assurance.

Assurance Standard

REALIZE ESG applied the Type I moderate assurance under AA1000AS v3, with reference to standards, principles, and initiatives including the Global Reporting Initiative (GRI) *Sustainability Reporting Standards, the Sustainability Reporting Guidelines for Listed Companies* issued by the Shanghai, Shenzhen, and Beijing Stock Exchanges, and the 2030 United Nations Sustainable Development Goals (SDGs), among others.

Sources of Information

Report title: YIFI Laser 2024 Environmental, Social, and Governance Report

Source: YIFI Laser

Responsibilities and Statements

- YIFI Laser is fully responsible for the preparation and content of the YIFI Laser 2024 Environmental, Social, and
 Governance Report and guarantees the completeness and authenticity of the report's content as well as the
 information and materials provided to REALIZE ESG, ensuring that there are no material misstatements. REALIZE
 ESG's responsibility is to perform assurance within the scope described and provide professional assurance
 opinions and an independent assurance statement to the readers and stakeholders of the report.
- Based on the limitations of the assurance scope, REALIZE ESG conducted an independent limited assurance on the
 matters within the defined scope of the ESG Report in accordance with AA1000AS v3 and provided its assurance
 conclusion. Other than providing independent verification of the facts underpinning this conclusion and issuing
 this assurance statement, REALIZE ESG assumes no legal or other responsibility for any inquiries for other purposes
 or to any third parties reading this independent assurance statement.
- Any questions related to this independent assurance statement will be addressed by YIFI Laser.

Assurance Process and Tasks

To collect evidence and form conclusions, the primary tasks of REALIZE ESG are summarized as follows:

- · Documenting key resource requirements, evidence collection, tasks, activities, deliverables, and timelines in an assurance plan.
- · Understanding YIFI Laser's overall ESG performance and related processes, verifying key organizational developments and policy implementation, and reviewing supporting evidence in the report.
- · Conducting interviews and reviewing documents to understand YIFI Laser's major stakeholders, their expectations and needs, the channels of communication, and how YIFI Laser responds to the expectations and needs of its stakeholders.
- · Performing analytical review procedures on the ESG-related information, overall performance evaluation, and consistency assurance to ensure consistency with the report's content.
- · Verifying the report and process management related to the principles of inclusivity, materiality, responsiveness, and impact in AA1000 to confirm the applicability of this statement.
- Performing other procedures deemed necessary by REALIZE ESG.

Independence and Verification Capability

- REALIZE ESG and YIFI Laser are completely independent organizations, and all members of REALIZE ESG's assurance team have no commercial relationship with YIFI Laser that would lead to a conflict of interest. The REALIZE ESG assurance team independently conducted this assurance.
- · The assurance team of REALIZE ESG is composed of experienced ESG professionals who have undergone professional training on sustainability standards such as the Global Reporting Initiative (GRI) Standards, AA1000AS v3, ISO 14001, ISO 9001, ISO 26000, SA 8000, and the EcoVadis global supply chain rating. They possess a comprehensive understanding and practical experience with international guidelines, evaluation systems, and assurance standards, thereby ensuring the capability to conduct the assurance.

Limitations

During the assurance process of the YIFI Laser 2024 Environmental, Social, and Governance (ESG) Report, REALIZE ESG relied entirely on the relevant information and data provided by YIFI Laser, without gathering information from other external sources or conducting interviews with external stakeholders.

Assurance Conclusion

REALIZE ESG did not identify any instances of non-compliance with the principles of inclusivity, materiality, responsiveness, and impact as outlined in AA1000AP (2018) in YIFI Laser's 2024 ESG report. The detailed assurance results are as follows:

Inclusivity

YIFI Laser identified stakeholders during business operations, understood stakeholders' expectations and key concerns, communicated in a timely manner on material topics, and transparently disclosed the communication outcomes.

Materiality

YIFI Laser collected stakeholder opinions, established a materiality analysis process, identified ESG topics relevant to the Company, and presented the evaluation results.

Responsiveness

YIFI Laser responded to the material topics of concern to its key stakeholders and implemented corresponding policies, systems, and actions to address stakeholders' concerns.

Impact

YIFI Laser demonstrated the capability to identify material topics and implemented a balanced and effective evaluation and disclosure approach. The Company has established a systematic process for monitoring, measuring, evaluating, and managing impacts, thereby enabling more effective decision-making and outcome management within the organization. The report fairly and objectively reflects the impact of material topics.





Assurance Institution: Shanghai REALIZE ESG Corporate Services Co., Ltd.

Lead Verifier:

July 13, 2025, Shanghai, China

About This Report

This report is the first Environmental, Social, and Governance (ESG) report issued by YIFI Laser Co., Ltd. It aims to truly reflect the Company's efforts, practices, and performance in environmental, social and governance responsibilities through objective, standardized, transparent and comprehensive information disclosure.



Reporting Period

This report mainly covered the period from January 1, 2024, to December 31, 2024, with certain content appropriately extending into the preceding and subsequent years.



Reporting Scope

The information disclosed in this report covers YIFI Laser Co., Ltd. and its subsidiaries. Unless otherwise specified, the scope of information coverage is consistent with the scope of the consolidated financial statement of YIFI Laser (Stock Code: 688646.SH).



Compilation Guidelines

Global Sustainability Standards Board (GSSB) Sustainability Reporting Standards (GRI Standards)

Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange - Sustainability Report (For Trial Implementation)

Self-Regulatory Guidelines No. 13 for Companies Listed on the Shanghai Stock Exchange STAR Market- Preparation of Sustainability Reports

China Enterprise Reform and Development Society and the Chinese Academy of Social Sciences *General Framework of the Guidelines for Corporate Sustainability Reporting in China (CASS-ESG 6.0)*

International Organization for Standardization ISO 26000: Social Responsibility Guidance (2010)

2030 United Nations Sustainable Development Goals (SDGs)



Data Sources

The data in this report are sourced from the Company's official documents, statistical reports, or relevant publicly available materials.



Reliability Assurance

This report contains no false records, misleading statements, or major omissions. In case of any discrepancies between the relevant data herein and the 2024 Annual Report, the data in Annual Report shall prevail.



Explanation of References

For ease of presentation and reading, "Wuhan YIFI Laser Co., Ltd." in this report may also be referred to as "YIFI Laser," "the Company," or "we." All abbreviations used in the report carry the same meanings as those defined in the 2024 Annual Report.



Report Access

This report is available in both printed and electronic formats.

The electronic version of this report can be downloaded from the official website (**www.yifilaser.com**) or the Shanghai Stock Exchange website (**www.sse.com.cn**). For the printed version of the report, please contact us via email (ir@yifilaser.com) or by phone (+86 027-87592246).



Feedback and Suggestions

If you have any questions or suggestions about this report, please scan the QR code below or contact us through the above channels. Thank you!

