



Topband ESG Report 2025

Stock code / 002139.SZ

About the Report

This is the 6th Social Responsibility Report and the 5th ESG Report issued by Shenzhen Topband Co., Ltd. since its listing, which discloses Topband's activities and performance in the main areas of sustainable development including environment, society and governance. The Report was deliberated and approved at the 25th Meeting of the 8th Board of Directors of Topband held on March 31, 2026, and was released together with Topband's Annual Report 2025.

Time range

From January 1, 2025 to December 31, 2025. Some parts of the Report involve the information of previous years to ensure its integrity.

Data and content

The data and cases that are used in the Report are all from official documents, statistical reports and other documents provided by relevant departments of the Company. The Report does not contain any false information or misleading statements, and Shenzhen Topband Co., Ltd. is responsible for the truthfulness, accuracy and completeness of the content herein.

Unless otherwise specified, the monetary amounts involved herein are expressed in RMB.

Basis of preparation

The Report is prepared based on the actual situation of the Company in accordance with the relevant requirements of the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) and the Global Reporting Initiative (GRI) Standards, and based on the Company's actual situation. The disclosures of indicators in the Report are detailed in "Index".

Language of the Report

The Report is prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail. And the report electronic version is available on our official website: <https://www.topband.com>

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Innovation-oriented Development and Value Co-creation by Employees

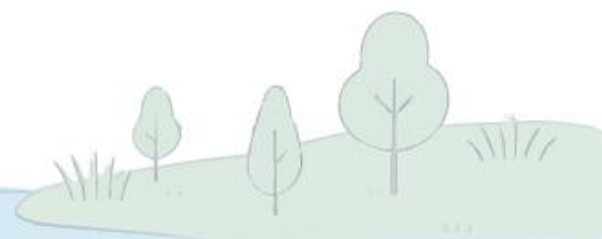
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Chairman's Statement

Dear shareholders, partners, and all friends caring about Topband,

Thanks sincerely for your attention to and trust in Topband. Currently, global energy revolution and technological iteration are speeding up, and the intelligent control and new energy industries are entering a critical development stage, with challenges and opportunities intertwined. Climate change, resource constraints, and market fluctuations pose ongoing challenges, and energy storage expansion and intelligent upgrading spurred by green and low-carbon transformation are becoming important directions of industry development.

In face of this situation, Topband has always adhered to the philosophy of "making the world more 'intelligent' and 'low-carbon'", and long-termism, and demonstrated strong business resilience and quality-oriented strategic composure in a complex environment.

In 2025, the market competitiveness of the Company's core business kept improving, with revenue of RMB 11.082 billion, a year-on-year increase of 5.53%, and achieving steady growth in business scale. In addition, based on prudent and steady long-term development considerations, the Company actively optimized its asset structure, consolidated its operating quality, and achieved a non-recurring net profit of RMB 373 million, a year-on-year decrease of 41.93%. We are well aware that short-term adjustments are designed to accumulate longer-term momentum for leapfrog development. On the basis of building a solid financial foundation, we further delve into sustainable development:

I. Practicing low-carbon development

Topband keeps improving its environmental management system and promoting green operations through systematic control. We are deepening the coverage of ISO 14001 system certification, and integrating efficient resource utilization, waste reduction, and the standardized disposal of hazardous waste into all aspects of production and operations. In the meantime, we actively explore circular economy models, and promote recyclable innovation practices in raw material use and packaging, contributing to the sustainable development of the industry.

Topband is committed to providing innovative low-carbon solutions for various industries based on intelligent control technology. We focus on the practical implementation of the "two increases and two decreases" climate action strategy, and continue to expand implementation paths of energy conservation and carbon reduction. In 2025, we officially launched our independently developed "Zero-carbon Cloud" platform, provided a one-stop cloud photovoltaic, storage and charging solution, and promoted full-chain work of green and low-carbon development solidly.

II. Sharing social value

Topband adheres to technological innovation as its core, participates deeply in the formulation of industry standards, promotes industry-university-research collaboration and university-enterprise cooperation, and keeps expanding application scenarios of intelligent control technology. By transforming technological innovation achievements into high-quality products and professional services, we repay market trust with excellent quality, and co-create and share value with our partners, employees, and all sectors of society. On the supply chain level, we focus on building a stable, reliable, and sustainable supplier management system, strengthening supplier lifecycle management, and empowering long-term development through mutual trust and win-win industrial cooperation.

Adhering to the principle of "people orientation", we keep improving the employee rights protection system, and building a diverse and inclusive workplace environment. Meanwhile, we actively engage in community public welfare and pay back to society through practical actions.

III. Consolidating the cornerstone of governance

Topband always adheres to high standards of corporate governance, keeps optimizing the structure and decision-making mechanism of the Board of Directors, and provides solid support for steady business development with a scientific and standardized governance system. Based on this governance foundation, the Company internalizes compliance management as its corporate foundation, strictly adheres to the bottom line of business ethics, and integrates integrity and transparency into all decisions and operations, protecting the legitimate rights and interests of the Company and all stakeholders effectively.

We firmly believe that excellent governance ultimately manifests as sincere return for our shareholders. In 2025, we deepened investor relations management and released the action plan for "double improvement of quality and return" to share development achievements with our shareholders through a sustained and stable dividend distribution mechanism. In the meantime, we strengthened data security and network protection capabilities, and built a solid risk control system to strengthen the defense line of operational safety, and ensure that the Company maintained stable operation in a complex and changing environment.

In 2026, we will continue to deepen green operations, solidly promote energy conservation, carbon reduction, and circular economy practices, delve into intelligent control and low-carbon technology, create and share value together with partners, consolidate the governance foundation, and ensure long-term development based on stability and compliance.

We look forward to working with you to create an intelligent, low-carbon and beautiful future!



Chairman of Shenzhen Topband Co., Ltd.

April 2, 2026



Interpretations

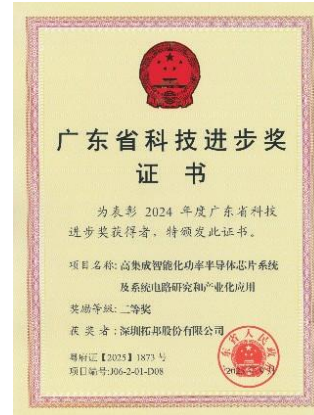
Terms	Refer to	Contents
Company, the Company, Topband	Refer to	Shenzhen Topband Co., Ltd.
RMB, RMB ten thousand	Refer to	RMB, RMB ten thousand
CSRC	Refer to	China Securities Regulatory Commission
Exchange	Refer to	Shenzhen Stock Exchange
Reporting Period	Refer to	January 1, 2025 to December 31, 2025
Articles of Association	Refer to	Articles of Association of Shenzhen Topband Co., Ltd.
Shiyan Branch	Refer to	Shiyan Branch of Shenzhen Topband Co., Ltd.
Huizhou Topband	Refer to	Huizhou Topband Electrical Technology Co., Ltd.
Ningbo Topband	Refer to	Ningbo Topband Intelligent Control Co., Ltd.
Nantong Topband	Refer to	Nantong Topband Lithium Battery Co., Ltd.
Topband Romania/Topband European Plant	Refer to	Topband Smart Europe Company Limited
Topband Mexico	Refer to	Topband Mexico Company Limited
Topband Battery	Refer to	Shenzhen Topband Battery Co., Ltd.
Topband India	Refer to	Topband India Private Limited
AI	Refer to	Artificial Intelligence
BLDC Motor	Refer to	Brushless DC Motor
BG, BU	Refer to	Business Group , Business Unit
IPD	Refer to	Integrated Product Development

ABOUT TOPBAND

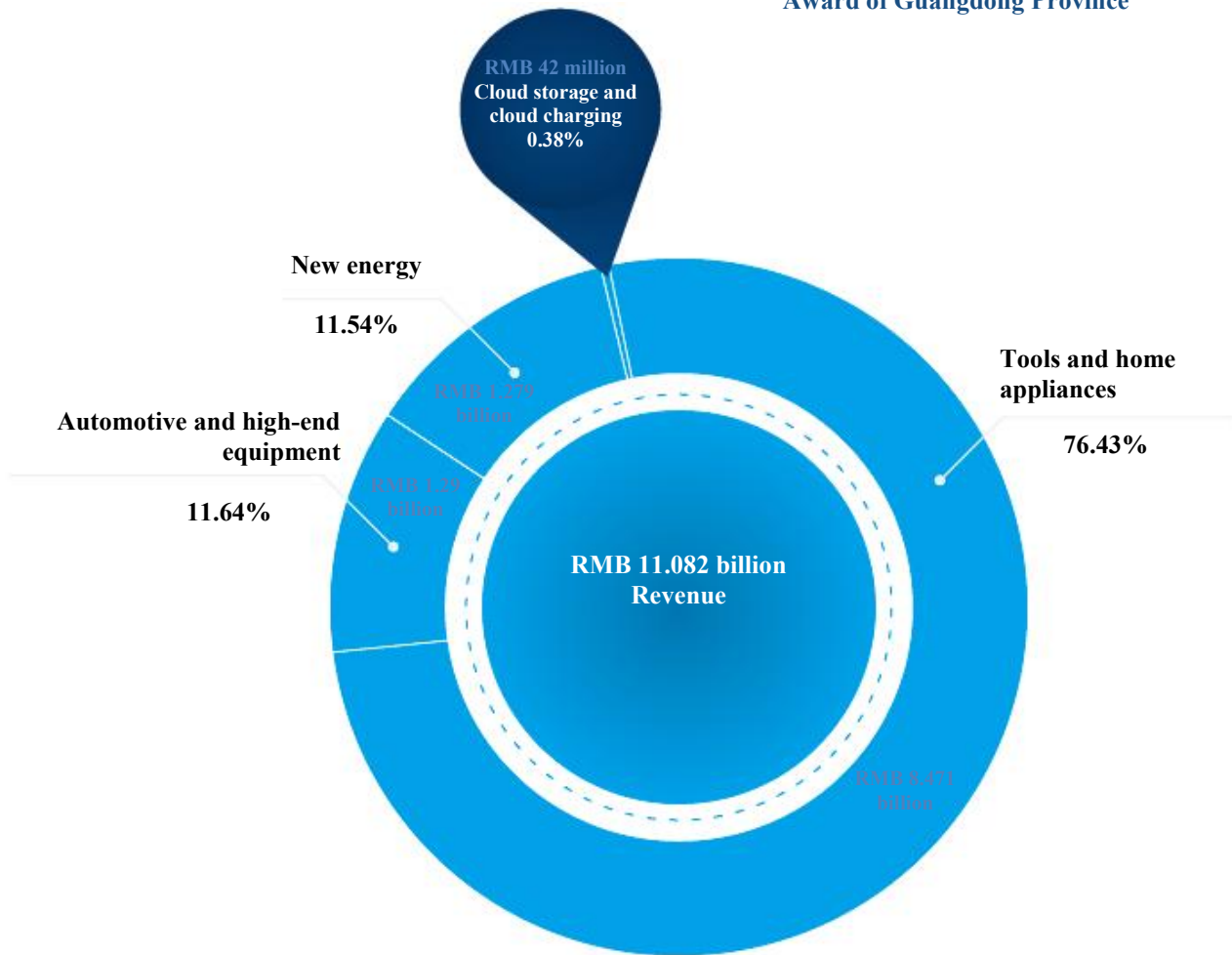


Shenzhen Topband Co., Ltd. (hereinafter referred to as "the Company" or "Topband") is a leader in the global intelligent control industry. Based on the core technology system of the "four electrics and one network" (electric control, motor, battery, power, and IoT platform), and long-term technical experience and product solutions, the Company specializes in the R&D, production and marketing of intelligent control and autonomous intelligence products. The Company's intelligent control products mainly include intelligent controllers, high-efficiency motors, battery packs, and power sources, while autonomous intelligence products mainly include cloud storage and cloud charging. The Company's products are applied widely to the tool and home appliance, automotive and high-end equipment, and new energy industries, not only providing innovative, efficient, and reliable customized services to worldwide customers, but also bringing green, intelligent, and innovative products to consumers.

Established in 1996 and listed on the Shenzhen Stock Exchange in 2007, Topband is a state-recognized enterprise technology center, a national high-tech enterprise, a pilot demonstration enterprise in Shenzhen, an AEO, a winner of the Shenzhen Industrial Award, and a winner of the China Manufacturing Champion for its smart home control module. In 2025, the Company won the second prize of the Science and Technology Progress Award of Guangdong Province. Since listing, the Company's financial performance has been stable. In 2025, the Company's sales revenue exceeded RMB 11 billion, remaining over RMB 10 billion for two consecutive years, and there were 13,208 employees in total.



Second Prize of the Science and Technology Progress Award of Guangdong Province



Partners



Remarks: The above are some of the Company's clients, and the rest have not been disclosed due to business secrecy.



Core technology: "Four electrics and one network + AI" technology platform



Electronic control technology

Integrating sensing, power electronics, signal processing, communication, human-computer interaction, and other technologies to achieve the intelligent control of terminal products with microprocessors being the core. The Company has established hundreds of electric control technology platforms, which are applied widely to products such as controllers, mechatronics, power sources, and intelligent batteries.



Motor technology

The Company pursues continuous iteration with focus on the four major indicators of high efficiency, low noise, high precision, and high reliability, and has established product platforms such as brushless DC (BLDC) motors, hollow cup motors (including brushed hollow cup motors and brushless slot-less motors), switched reluctance motors, servo motors, and stepper motors, as well as full-process capabilities from design simulation and testing verification to large-scale intelligent manufacturing.



Battery technology

The Company has formed complete design, development, and production capabilities from cell technology and battery management systems (BMS) to battery packs. BMS achieve the real-time monitoring and management of battery status through advanced algorithms, and are applied widely to energy storage, power backup, battery swapping, portable devices, and other scenarios.



Power source technology

Covering analog power supply, switching power supply, digital power supply, and server power supply technologies, and products such as power conversion systems (PCS), photovoltaic inverters, high-power DC charging piles, and efficient server power sources for AI datacenters, and meeting multi-scenario power conversion demand from new energy to computing infrastructure.



IoT platform

Covering complete technological capabilities from modules and intelligent terminals to apps and PaaS, keeping evolving toward AIoT, and endowing products with perception, learning, and autonomous decision-making capabilities. The Company has built a home energy management cloud platform and a digital energy management cloud platform, supporting intelligent collaboration and data operations for energy storage, charging, photovoltaic and other devices.

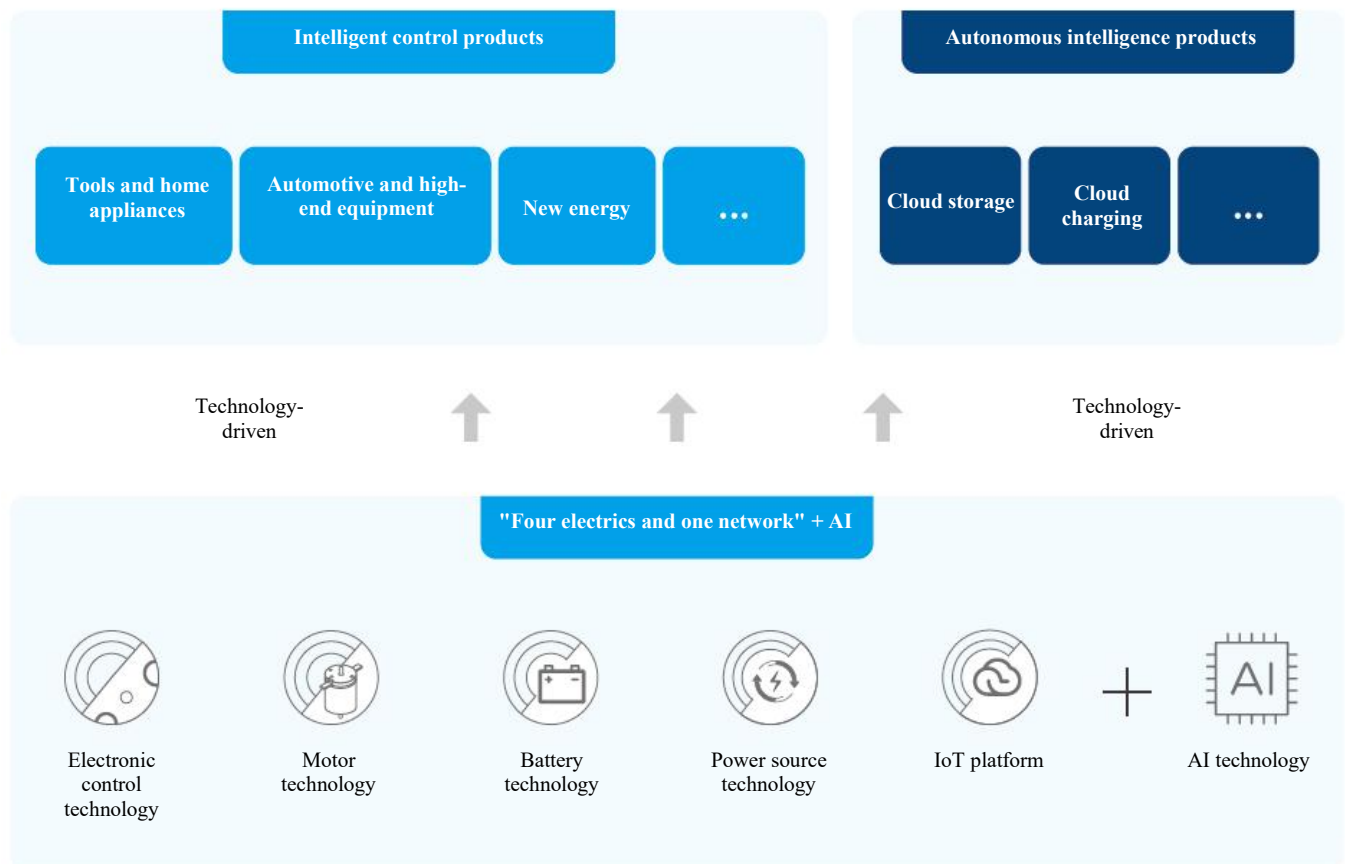




AI technology

The Company regards AI as the capability base that runs through the "four electrics and one network", and focuses on three directions: The first is product intelligence, where AI algorithms are embedded into controllers, BMS, EMS, and other products to achieve adaptive control, predictive maintenance and intelligent energy scheduling, making products more intelligent as they are used; the second is manufacturing intelligence, where AI quality inspection, process parameter optimization, and intelligent scheduling are deployed in the production process to improve manufacturing efficiency and quality consistency; the third is R&D intelligence, where AI is used to assist in simulation design, testing and verification, and knowledge management to accelerate product development and iteration.

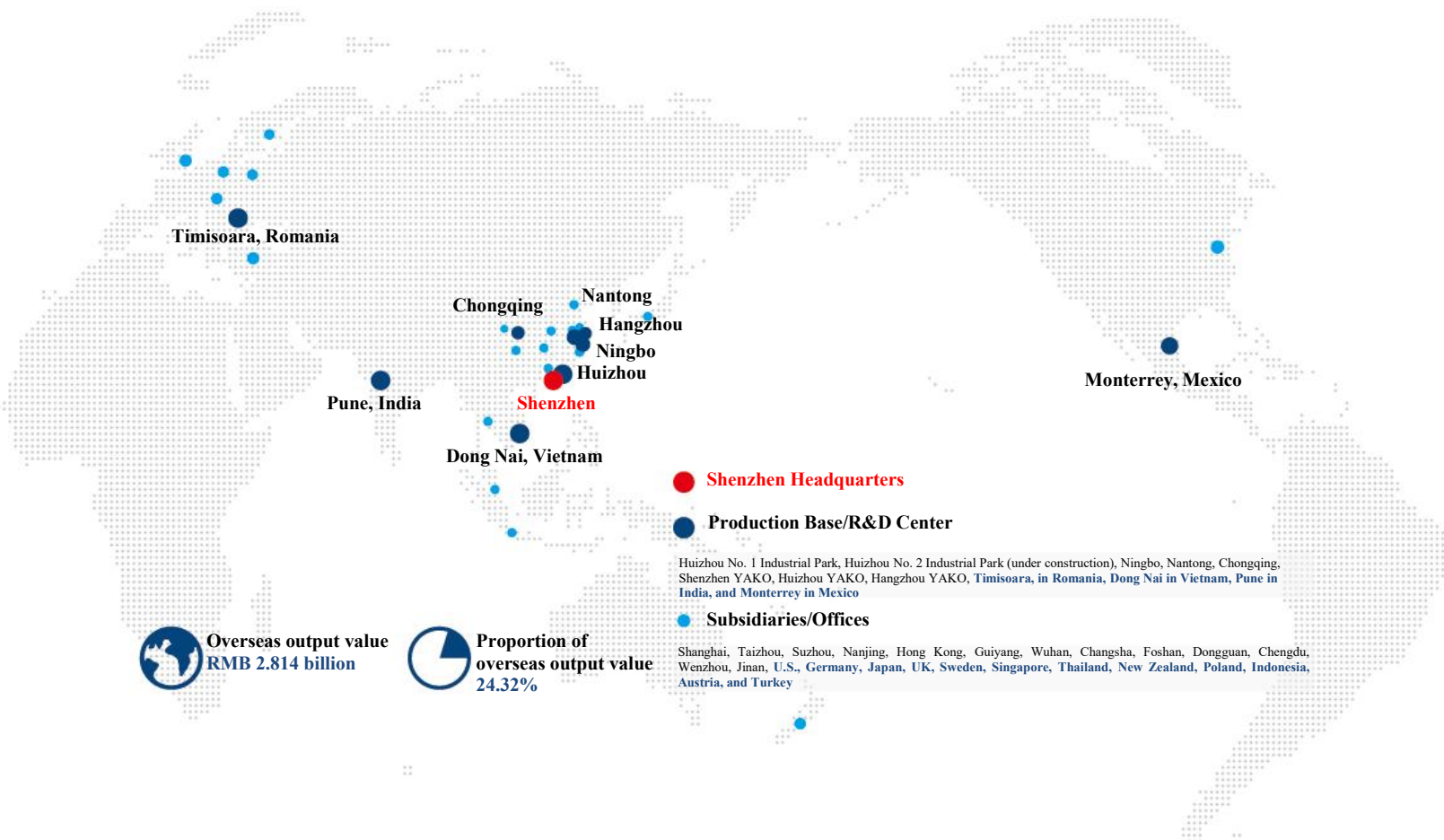
Business Structure



Global Layout

In response to the global trend of industry chain restructuring and deep integration into customers' global strategies, Topband adheres to the concept of "localized services, precise operations, and collaborative empowerment", and promotes overseas production capacity deployment and capacity building systematically. In 2025, the Company implemented a series of strategic measures simultaneously in the four overseas bases with focus on the four dimensions delivery assurance, supply chain resilience and localization, operational efficiency and cost optimization, and compliance risk control.

Strategic dimension	Specific measures
Deepening localized operations and supply chain resilience building	Each base developed local supplier resources, and promoted the local procurement of key materials actively to shorten supply chains, respond to customers' origin requirements, and reduce geopolitical and logistics risks
Building an agile and responsive operational system	Fully implement lean production and digital management; optimize the production scheduling mechanism, introduce automated equipment and information systems (MES/WMS), and implement process innovation to meet complex market needs for small batches, multiple varieties, and fast delivery.
Strengthening cross-departmental collaboration and talent localization	<ul style="list-style-type: none"> · Establish an "iron triangle" project system centered on customer delivery and a routine collaboration mechanism; · Vigorously develop local management and technical backbone personnel to ensure stable operations and knowledge transfer.
Building a solid foundation for compliance and risk control	<ul style="list-style-type: none"> · Proactively respond to international trade rules, and deeply interpret and implement compliance requirements such as USMCA (Mexico), and AEO certification (India); · Establish a customs logistics optimization mechanism and a supply chain emergency plan to control tariffs, logistics and origin risks systematically, and ensure supply chain security.



Key Operation Results

 Revenue RMB 11.082 billion		 Net cash flow from operating activities RMB 678 million	
 Gross profit rate 21.54%	 Net profit attributable to parent company RMB 364 million	 Net profit excluding nonrecurring profit and loss RMB 373 million	 EPS (basic) RMB 0.3
 R&D investment RMB 1.047 billion	 Proportion of R&D input 9.45%	 R&D personnel 2,138	 Total tax payment (including at home and abroad) RMB 254 million
 Net assets RMB 7 billion	 Total assets RMB 13.6 billion	 Estimated dividend amount RMB 86.02 million	 Dividend per share RMB 0.07

Intelligent controllers	High-efficiency motors	Battery packs
<p>This core business of the Company had a shipment volume of 181 million sets in 2025, a year-on-year increase of 1.69%, and a cumulative shipment volume of 1.81 billion sets. The Company maintains deep cooperation with worldwide top brand customers such as TTI, Electrolux, and Johnson Controls, and its production capacity is mainly from the four major manufacturing bases in the Pearl and Yangtze River Deltas in China. Synchronous overseas delivery is achieved in Vietnam, Mexico, India, and Romania.</p>	<p>This second largest category of the Company includes external rotor DC brushless motors, LiDAR motors, and hollow cup motors, with a shipment volume of 4.52 million sets in 2025, a year-on-year increase of 28%. Among them, the cumulative shipment volume of LiDAR rotating mirror motors exceeded 1 million units, with a market share of over 30%; the annual production capacity of hollow cup motors with outer diameters of Φ6~Φ40mm was over 1 million units, which have been applied to intelligent cockpits of vehicles and dexterous hand actuators of humanoid robots.</p>	<p>This third largest category of the Company covers power tools, E-Bike, vehicle and vessel onboard, industrial and commercial energy storage, home energy storage, communication backup power, and other scenarios, with a shipment volume of 1.09GWh in 2025, a year-on-year increase of 15.38%.</p>



Market Honors

Market recognition ▼

Date of acquisition	Subject	Award name	Granting organization
2025/9	Topband	Second Prize of Science and Technology Progress Award of Guangdong Province	Guangdong Provincial People's Government
2025/12	Topband	Specialized, Refined, Distinctive and Innovative SME Bao'an District, Shenzhen – Top 100 Industrial Enterprises	Shenzhen Municipal SME Service Bureau
2025/12	Topband	Top 100 New Energy Storage Brands of China	Shenzhen Bao'an District Federation of Top 100 Enterprises in Five Categories
2025/3	Topband	EIRP-30 (Embodied Intelligence Robot Pioneer TOP30)	Electrical Energy Storage Alliance
2025/12	Topband	First Prize in the China Stir-frying Robot Competition	Yanzhi Robot
2025/8	Topband	Star Employer of the Year	China National Food Industry Association
2025/12	Topband	Core Robotics Technology Innovation Award	OfferShow
2025/12	Topband Motor	Pioneer Enterprise in Innovative Motor Design	Shenzhen Robotics Association
2025/10	Topband Motor	11th Red Sail Award – Top 100 Manufacturing Enterprises of the Year	Big-Bit.com
2025/2	Shenzhen YAKO	Most Influential Enterprise Brand in the Field of Motion Control in 2025	Shenzhen Electronic Equipment Industry Association
2025/12	Shenzhen YAKO		Motion Control Industry Alliance, and China Direct Drive Industrial Alliance

Quality recognition ▼

Date of acquisition	Subject	Award name	Granting organization
2025/10	Topband	2025 Strategic Partner of the Year	Carrier China
2025/6	Topband	Strategic Cooperation Supplier Award	Kärcher Group, Germany
2025/10	Topband	Silver Execution Award	Johnson Controls
2025/10	Topband	2025 Sustainable Supplier Award	WIK Group
2025/11	Topband	Technological Leap Breakthrough Award	Hisense Group
2025/12	Topband	2025 Innovation Award	Bosch Home Comfort Group
2025/5	Huizhou Topband	Best Quality Award	Healthlead Corporation Limited
2025/11	Huizhou Topband	Quality Pioneer Award	Shenzhen Hailei New Energy Co., Ltd.

Sustainable development-related recognition ▼

Date of acquisition	Subject	Award name	Granting organization
2025/9	Topband	A+ ESG rating	CCXGF
2025/12	Topband	CDP: B in climate change; B in water resources security	CDP

Capital market recognition ▼

Date of acquisition	Subject	Award name	Granting organization
2025/6	Topband	16th "Investor Relations Management Tianma Award" for Listed Companies	Securities Times
2025/12	Topband	19th Top 50 Chinese Listed Companies in New Quality Productive Forces	Securities Times
2025/11	Topband	2025 Top 20 Listed Companies in Corporate Governance in the Greater Bay Area	Shenzhen Research Association of Corporate Governance
2025/11	Topband	2025 Top 20 Listed Companies in Information Disclosure in the Greater Bay Area	Shenzhen Research Association of Corporate Governance



ESG MANAGEMENT



ESG Governance

Topband has deeply integrated the concept of sustainable development into its strategies and routine operations, built a management system with ESG as the core and continuously improved governance efficiency through strategy guiding, system improvement, organizational optimization and multi-party collaboration, laying a solid foundation for long-term value creation. Under the five strategic frameworks of "scale growth, customer intimacy, being innovation-driven, agile operations, and organizational evolution", the Company integrates ESG goals into its overall development plan. By establishing a dynamically optimized ESG management indicator system, the Company keeps promoting environmental friendliness, social win-win, governance optimization, and business growth together, and is committed to building a long-term mechanism for high-quality development.

In order to meet the demand of the Company's strategic development and strengthen the Board of Directors' role in coordinating and supervising ESG issues, the Company renamed the original "Strategy Committee of the Board of Directors" as the "Strategy and ESG Committee of the Board of Directors", and also deliberated and revised the Rules of Procedure for the Strategy and ESG Committee of the Board of Directors in March 2025. As the decision-making and supervisory body for the Company's ESG issues, the committee is composed of 5 directors (including one external independent director). In terms of committee composition, the Company fully considers diverse skills of directors to ensure that the members have high professional competence in fields such as strategic planning implementation, business insights, ESG risk and opportunity identification, industry policy analysis, and compliance control, thereby providing reliable organizational and professional support for the Company's sustainable development.

Governance level	Specific responsibilities
Board of Directors	As the highest decision-making body for ESG governance, coordinate the review and supervision of major ESG issues comprehensively, evaluate policy risks and opportunities regularly, and guide business departments to formulate response strategies.
Strategy and ESG Committee	<ul style="list-style-type: none"> · Study major issues such as the Company's ESG goals and philosophy, strategic planning, governance structure, and management systems, and give decision-making suggestions. · Supervise the execution and implementation of the Company's ESG goals, and give suggestions on actions required to achieve the goals. · Identify and evaluate risks related to the Company's ESG field, and raise questions and response strategies for major issues that affect the Company's performance of ESG-related tasks.

In order to improve the transparency and normativity of corporate governance, information disclosure, and ESG management, the Company has continuously released the Social Responsibility Report since 2020 by deeply benchmarking international mainstream standards and domestic regulatory requirements, and officially upgraded and renamed it as the ESG Report in 2024 by following capital market requirements closely. The ESG Report of the Company strictly follows the compliance procedure of being prepared along with the Annual Report, and disclosed to the public after review and approval by the Board of Directors. The progress of responsibility performance is updated dynamically through the official website, WeChat official account and other platforms to present the Company's practices and achievements in low-carbon transformation, employee development, governance optimization, business ethics, and other fields systematically. In addition, the Company actively participates in mainstream ESG ratings and regularly responds to CDP climate change questionnaires to deepen communication and mutual trust with worldwide stakeholders. In 2025, the Company's CDP climate change rating rose from B- to B successfully, marking a new level of climate actions and low-carbon operations for the Company.

In addition, the Company has established an ESG risk identification and response mechanism, which accurately identifies risks through dual importance analysis, supply chain risk pre-identification, and compliance benchmarking. Through the continuously improving governance structure and internal control system, the Company implements response measures in the entire business process of R&D, procurement, production, operation, etc. to strengthen the defense line for ESG risk prevention and control. In the meantime, the Company improves the ESG awareness of all employees through special training and cross-departmental collaboration, promoting the implementation of ESG practices effectively.



Dual Importance Assessment

Topband keeps optimizing ESG management practices, and conducts dual importance issue assessment in conjunction with internal and external environment changes. The Company has established an ESG issue library containing 22 key issues based on its business characteristics and actual operations by analyzing development megatrends, industry standards, and peer concerns in depth. Through scientific evaluation and argumentation, and final internal review by the management, an importance matrix of substantive ESG issues has been formed.

Double Importance Assessment Process

Topband Double Importance Analysis Process for Issues

Step	Work
1. Understanding the relationship between company activities and the business background	Understand the sustainable development background in which the Company operates, and identify and understand affected stakeholders by interpreting the Company's value chain, and domestic and overseas sustainable development standards (including but not limited to stock exchange information disclosure requirements and international GRI standards).
2. Establishing a list of issues	Identify and screen relevant sustainable development issues, and analyze actual and potential impacts, risks and opportunities related to sustainable development issues preliminarily based on the actual situation of the Company and communication with stakeholders.
3. Assessing and confirming issue importance	<p>Impact importance assessment: Conduct stakeholder communication through working group assessment, conduct assessment in two dimensions – "severity of impact" (impact scale, scope and irretrievability) and "likelihood of impact", and rank issues by impact importance by reference to opinions of internal and external experts.</p> <p>Financial importance assessment: Communicate with senior executives and finance personnel by means of working group assessment, conduct assessment in two dimensions – "likelihood of impact" and "degree of financial impact", and rank issues by financial importance by reference to opinions of internal and external experts.</p> <p>Summary of dual importance results: Form a dual importance matrix, and identify boundaries of important issues based on impact importance and financial importance assessment results.</p>
4. Issue report	After review and confirmation by the Company's Strategy and ESG Committee, and Board of Directors, disclose key issues of high importance in fiscal year 2025 in the Report.



Double Importance Assessment Results

The matrix identifies issues in two dimensions – importance of economic, social and environmental impacts, and importance for corporate finance, and presents the priority distribution of issues systematically. The Company identifies core disclosure points of the Report through visual analysis, and on this basis, optimizes the ESG management system, formulates targeted management plans, and promotes the deep integration of ESG concepts into routine operations and strategic planning, providing important support for the continuous improvement of its ESG governance level.

Environment ▼

- 1 Combat with climate change
- 2 Environmental management and opportunities
- 3 Water resource management
- 4 Pollutant management
- 5 Waste management
- 6 Biodiversity
- 7 Circular economy
- 8 Energy management

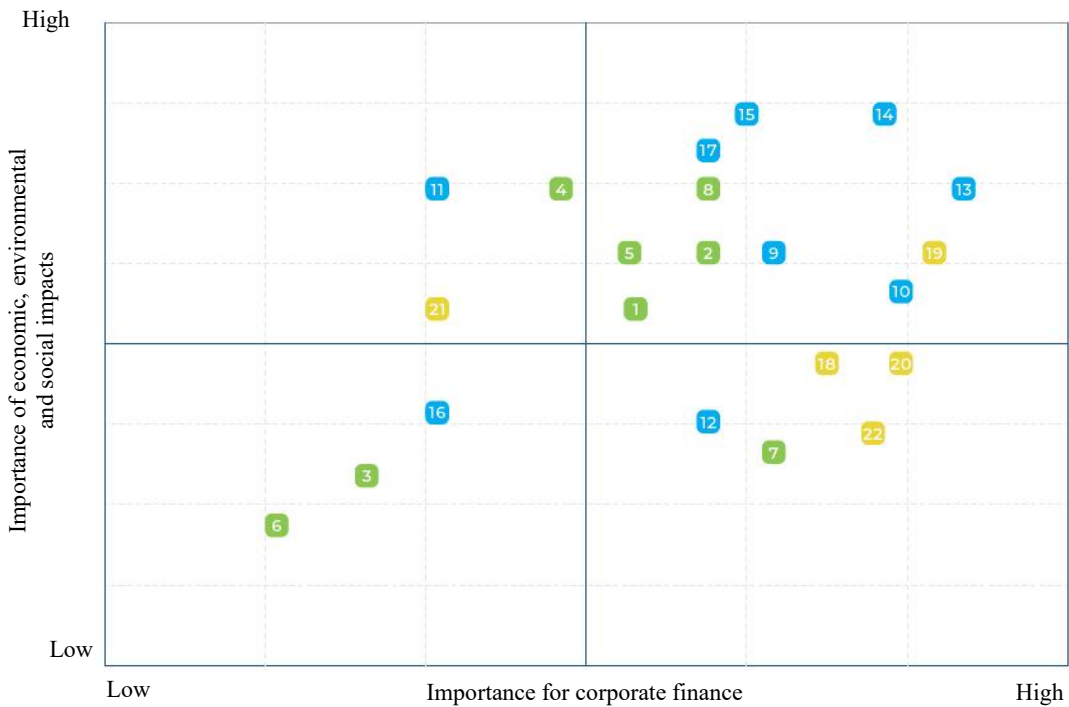
Society ▼

- 9 Employment of employees and their rights and interests
- 10 Occupational safety and health
- 11 Diversity and equal opportunities
- 12 Employee training and development
- 13 Product R&D and innovation
- 14 Product quality and safety
- 15 Responsible supply chain
- 16 Social welfare
- 17 Quality services

Governance ▼

- 18 Corporate governance
- 19 Compliant operations
- 20 Risk management
- 21 Information security and privacy protection
- 22 Business ethics

Topband Analysis Matrix of Dual Importance Issues



Issue Assessment Results

Issues of dual importance



- 1 Combat with climate change
- 2 Environmental management and opportunities
- 5 Waste management
- 8 Energy management
- 9 Employment of employees and their rights and interests
- 10 Occupational safety and health
- 13 Product R&D and innovation
- 14 Product quality and safety
- 17 Quality services
- 15 Responsible supply chain
- 19 Compliant operations

Issues of financial importance



- 7 Circular economy
- 12 Employee training and development
- 18 Corporate governance
- 20 Risk management
- 22 Business ethics

Issues of impact importance

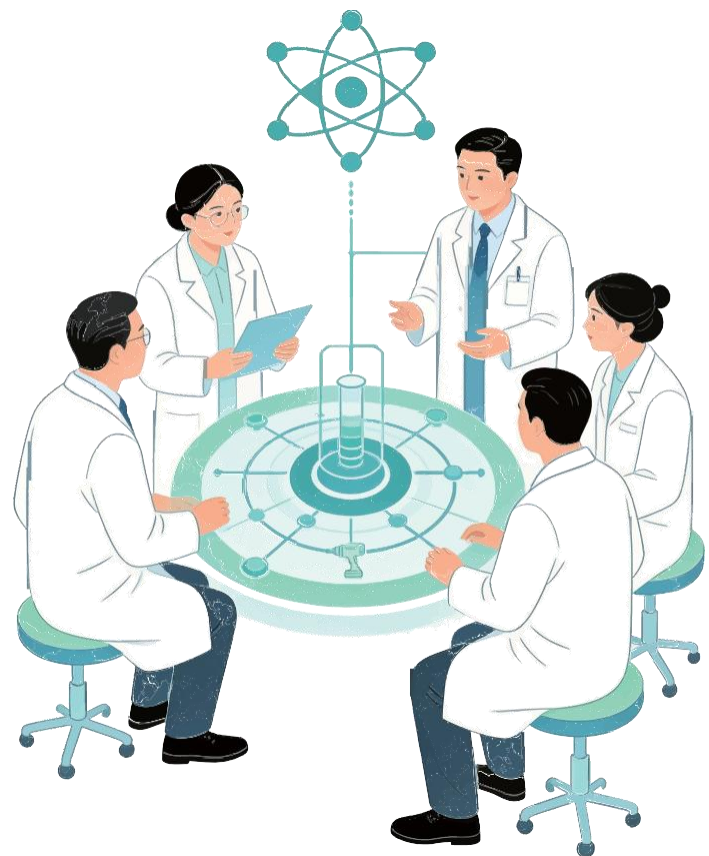


- 4 Pollutant management
- 11 Diversity and equal opportunities
- 21 Information security and privacy protection

Ordinary issues



- 16 Social welfare
- 3 Water resource management
- 6 Biodiversity



Stakeholder Communication

Topband always adheres to the concept of open and transparent governance, continuously deepens two-way communication with key stakeholders, builds multi-dimensional communication channels, and actively listens to and responds to expectations and demands of all stakeholders for the purpose of building a long-term and sustainable mutual trust and cooperation relationship.

The Company has established multi-dimensional stakeholder communication channels, including the general meeting of shareholders system, in-depth symposiums with key customers, ESG and industry exchange platform, and special dialogue mechanism with employees and suppliers. In the future, the Company will continue to improve its communication mechanism, maintain close contact with key stakeholders, and promote the continuous improvement of ESG governance work.

Stakeholders	Expectations and demands	Response and communication
Government and regulators	Greenhouse gas management Combat with climate change Environmental management and opportunities Water resource management Pollutant management Waste management Corporate governance Compliant operations Information security and privacy protection Business ethics	Response to national policies Law-abiding and compliant operations Adhering to business ethics Practicing green development
Shareholders and other investors	Corporate governance Protection of shareholders' rights and interests Compliant operations Risk management	Strengthening mandatory information disclosure and active response (General Meeting of Shareholders, investor exchange meeting, performance presentation meeting, investor hotline, Shenzhen Stock Exchange's interaction platform (irm.cninfo.com.cn), official website, and official account) Strengthening corporate governance Maintaining shareholder rights and interests Law-abiding and compliant operations
Customers	Product R&D and innovation High-quality products and services Information security and privacy protection Business ethics	Providing high-quality products and services Strengthening customer privacy security and protection Adhering to business ethics
Suppliers and other partners	Product quality and safety Quality services Responsible supply chain Business ethics	Strengthening supply chain management Conducting supplier training Adhering to business ethics
Employees	Employment of employees and their rights and interests Occupational safety and health Employee remuneration and benefits Employee training and development Diversity and equal opportunities	Protecting employee rights and interests Ensuring occupational safety and health of employees Promoting employee development Strengthening employee communication (Congress of Workers and Staff, Journal of Yanxingzhe, Colleague Bar, Employee Experience Platform) Respecting the diversity of the workplace
Media	Pollutant management Employment of employees and their rights and interests Product quality and safety Quality services Business ethics	Enhancing information disclosure Media interview and exchange and cooperation Timely updating the Company's official website
Community	Social welfare	Carrying out voluntary service activities Conducting charity donations



01

Practicing Green Development and Promoting Ecological Harmony

With the mission of "making the world more 'intelligent' and 'low-carbon'", Topband deeply practices environmental responsibility, and the principle of "prevention first, and integration of prevention and control", pursues coordinated development with all stakeholders' benefits in mind, and has established an environmental management system that complies with ISO 14001. In the meantime, the Company adheres to the principle of synchronous planning, implementation and development of production, construction and environmental protection, deeply integrates the intelligence and low-carbon concepts into products and services by fully leveraging the core technological advantages of the "four electrics and one network (electric control, motor, battery, power, and IoT platform)", and builds a green and sustainable industrial ecosystem to help co-innovate a smarter future.



1.1 Environmental Compliance Management

Topband continues to improve the environmental management system, optimize the relevant systems and organizational structure, and ensure comprehensive compliance in environmental management. In addition, the Company organizes regular professional environmental training, promotes green office practices, and enhances environmental management capabilities comprehensively.

1.1.1 Environmental management system

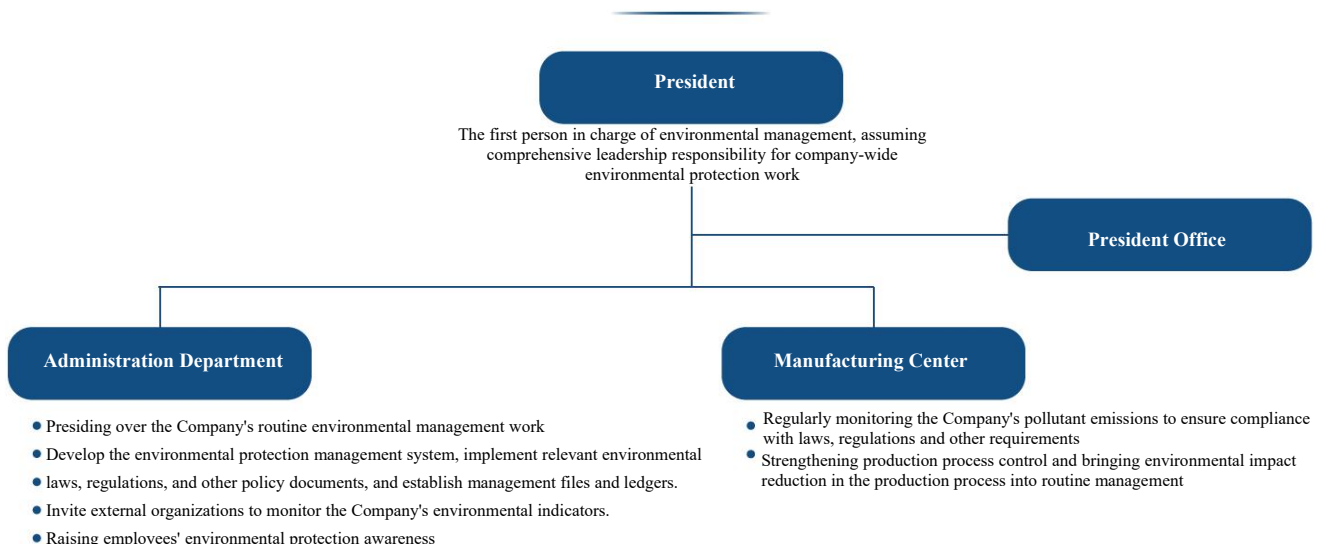
The Company keeps improving the environmental management system, implements source control, process governance, and continuous improvement, identifies environmental impacts, risks and opportunities systematically, strengthens compliance management and risk prevention, and sets clear environmental management goals to promote the standardization of environmental management and help achieve high-quality green development.

· Environmental management system

Topband strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, and other national laws and regulations, and fully complies with relevant laws and policy requirements in all business locations around the world. It has formulated a series of internal management systems with focus on the Environmental Analysis and Risks and Opportunity Control Procedure, the Environmental and Safety Management Control Procedure for Stakeholders, and the Policy on Labor, Health and Safety, Environment, Low Carbon and Ethics to ensure compliance and effectiveness in environmental management.

The Company has established a hierarchical environmental governance structure with clear responsibilities and efficient collaboration, ensuring the effective integration of environmental and low-carbon strategies from top-level design to implementation. The President formulates the Company's annual strategic plan, coordinates and leads the Company's environmental management work comprehensively, and ensures the input and execution direction of strategic resources. The President Office organizes regular reviews of the environmental management system to identify the internal and external environmental factors, and needs and expectations of stakeholders, accurately evaluate environment-related risks and opportunities, and convert strategic goals into specific management projects. The Administration Department and the Manufacturing Center work together to ensure the comprehensive coverage of the system through regular internal audits, and achieve the quantitative management and continuous controllability of environmental performance jointly.

Environmental Management Organization of Topband



Topband formulates clear environmental indicators and action plans annually based on its actual operational situation, relevant regulatory requirements, and customer needs, along with policy guidance and industry best practices. In 2025, the Company continued to make intensive efforts in environmental compliance management. Multiple bases of the Company have been certified to the ISO 14001 environmental management system. These qualifications are an authoritative recognition of the mature, standardized and effective environmental management system of the Company.

Bases that have been certified to the ISO 14001 environmental management system (list)		
1	Shenzhen Topband	Certified
2	Huizhou Topband	Certified
3	Ningbo Topband	Certified
4	Nantong Topband	Certified
5	Topband Vietnam	Certified
6	Topband Romania	Certified
7	Topband Mexico	Certified
8	Topband India	Certified

Case Winning WIK's "2025 Sustainable Supplier Award"

At the 2025 Annual Supplier Conference held by WIK, Topband received the only "2025 Sustainable Supplier Award" of the year for its outstanding performance in environmental management compliance, green and intelligent manufacturing system, and R&D of ecofriendly alternative materials. This honor signifies that the Company's practices in product lifecycle management and sustainable supply chain building have been highly recognized by important international customers.

Topband has always been committed to extending the ESG concept downstream along the value chain. During the conference, the Company and WIK reached strategic consensus on deepening green ecological cooperation: in the future, both sides will accelerate the efficient integration of supply chain resources and technological innovation, jointly promote the research and application of low-carbon technologies in the field of home appliances, take practical actions to address climate change, and explore circular economy models in the field of electronic waste treatment through intelligent manufacturing to address global sustainable development challenges together.



· Environmental risk and opportunity management

The Company adopts the risk management strategy of "prevention first and emergency response second" to carry out environmental risk management work systematically. The Company has developed internal system documents such as the Environmental Analysis and Risk and Opportunity Control Procedure, the Organizational Environment Identification Table, and the Risk and Opportunity Evaluation and Response Planning Table, forming a standardized management matrix to identify and evaluate key environmental factors, and potential environmental risks and opportunities in organizational operations comprehensively and scientifically. Under the unified authorization of the Group, the Company continues to push risk prevention deeper. During the Reporting Period, the two core regions/overseas bases of Nantong Topband and Topband Vietnam introduced and implemented a risk level assessment mechanism, and formulated corresponding prevention and control measures concurrently to achieve refined and localized risk management.

In response to environmental emergencies, the Company has formulated the Contingency Plan for Environmental Emergencies, and completed environmental protection filing according to law. The plan covers core aspects such as risk assessment, emergency response and post-event recovery to ensure that the disposal process can be quickly initiated in case of an environmental emergency, thereby minimizing negative impacts. In the meantime, the Company conducts regular emergency drills on chemical and hazardous waste leakage every year to optimize the emergency response mechanism and improve the emergency response capability continuously. During the Reporting Period, the Company did not experience any sudden major environmental incident and did not receive any environmental administrative penalty.

· Environmental management objectives

To promote environmental management practices systematically, all production bases of the Company have set clear and measurable annual environmental management targets based on specific circumstances and impacts.

Production base	2025 targets and progress
Shenzhen Topband	<ul style="list-style-type: none"> · No chemical leakage accident occurred; meeting the target · Wastewater complied with the Level 1 standard of Period 2 of the Emission Limits of Water Pollutants (DB44/26-2001); meeting the target · Industrial waste gas complied with the Level 2 standard of Period 2 of the Emission Limits of Air Pollutants (DB44/27-2001), and discharged waste gas was treated up to the specified standard before discharge through pipelines at high altitudes; meeting the target
Huizhou Topband	<ul style="list-style-type: none"> · No chemical leakage accident occurred; meeting the target · Wastewater complied with the Level 3 standard of Period 2 of the Emission Limits of Water Pollutants (DB44/26-2001); meeting the target · Industrial waste gas complied with the Level 2 standard of Period 2 of the Emission Limits of Air Pollutants (DB44/27-2001), and discharged waste gas was treated up to the specified standard before discharge through pipelines at high altitudes; meeting the target
Nantong Topband	<ul style="list-style-type: none"> · The environmental management targets include: There is no illegal discharge of hazardous waste, illegal discharge or leakage; there is no illegal discharge or leakage of pollutants such as exhaust gas and wastewater; pollutants in exhaust gas and wastewater are discharged up to concentration standards; regularly monitoring is conducted according to the pollutant discharge permit; the total amount of wastewater discharge does not exceed the specified value; all targets are met with a completion rate of 100%.
Ningbo Topband	<ul style="list-style-type: none"> · No chemical leakage accident occurred; meeting the target · Wastewater complied with the Level 3 standard of the Integrated Wastewater Discharge Standard (GB 8978-1996); meeting the target · Industrial waste gas met the Level 2 standard of the Comprehensive Emission Standards for Air Pollutants (GB 16297-1996), and discharged waste gas was treated up to the specified standard before discharge through pipelines at high altitudes; meeting the target
Topband Vietnam	<ul style="list-style-type: none"> · No chemical leakage accident occurred; meeting the target · Industrial waste gas emissions met the standards of QCVN 19:2009/BTNMT and QCVN 20:2009/BTNMT, and discharged waste gas was treated up to the specified standard before being discharge through pipelines at high altitudes; meeting the target



Topband Romania	<ul style="list-style-type: none"> · The number of waste management nonconformities reported in audits and inspections was ≤ 1; meeting the target · The number of major fines exceeding 5,000 Leu from the environmental protection bureau, labor bureau, and fire department was 0; meeting the target · The number of complaints from company employees to the administration department regarding waste collection and treatment in the factory area was ≤ 1; meeting the target · The number of environmental declarations made within the time limit specified by the environmental protection bureau/the number of environmental declarations that shall be made = 100%; meeting the target
Topband Mexico	<ul style="list-style-type: none"> · Environmental pollution accidents < 2; meeting the target · 0 environmental complaint from stakeholders; meeting the target
Topband India	<ul style="list-style-type: none"> · No chemical leakage accident occurred; meeting the target · 100% compliance in waste disposal; meeting the target

1.1.2 Green culture building

Topband deeply integrates the green concept into routine operations and the corporate culture. By creating a green office environment and conducting diversified environmental protection training, it improves employees' environmental awareness and strengthens the building of a green culture comprehensively.

· Green office

The Company actively practices the concept of green office and continues to promote energy conservation and consumption reduction in office work. The Company integrates the environmental protection concept into routine operations and guides employees to develop green office habits by various means such as promoting paperless office, strengthening resource recycling, implementing energy and water conservation transformation, and advocating low-carbon travel.

Training type	Specific scope
Paperless office	<ul style="list-style-type: none"> · The use of electronic documents and emails is encouraged to reduce paper usage. · Default settings for printers and copiers are set reasonably such as double-sided printing and font reduction to reduce the waste of paper.
Recycling of resources	<ul style="list-style-type: none"> · Waste sorting facilities were set up and employees were encouraged to sort waste properly. Recycling was promoted, and recycling bins were set up to collect recyclables such as paper, plastic bottles and batteries. · Recycling of computers was carried out to extend the service life; · Recycling of waste batteries was carried out to reduce environmental pollution; · Recycling of office desks and chairs was carried out reduce waste of resources; · A stationery sharing desk was set up for office supplies that are still in their lifecycle as evaluated. · Channels for the cross-departmental circulation and recycling of production consumables were provided. · Bottled water was replaced with direct water dispensers (155 in total), reducing plastic waste, transfer and storage steps, and carbon emissions effectively.
Energy conservation	<ul style="list-style-type: none"> · The LED lighting system in the office area was upgraded, and intelligent temperature control devices were installed for air conditioners, reducing energy consumption effectively.
Water conservation	<ul style="list-style-type: none"> · Leaking equipment was repaired, and water-saving devices were used, such as installing water-saving devices on washbasin faucets in the office area, and replacing old-fashioned faucets in dormitories with water-saving showerheads and faucets. · Employees were encouraged to reduce water consumption, such as shortening hand washing time and using flush toilets reasonably.
Low-carbon travel	<ul style="list-style-type: none"> · Employees were encouraged to use green modes of transportation such as public transit and shared bicycles. · Electric vehicle charging facilities were installed in some parks.

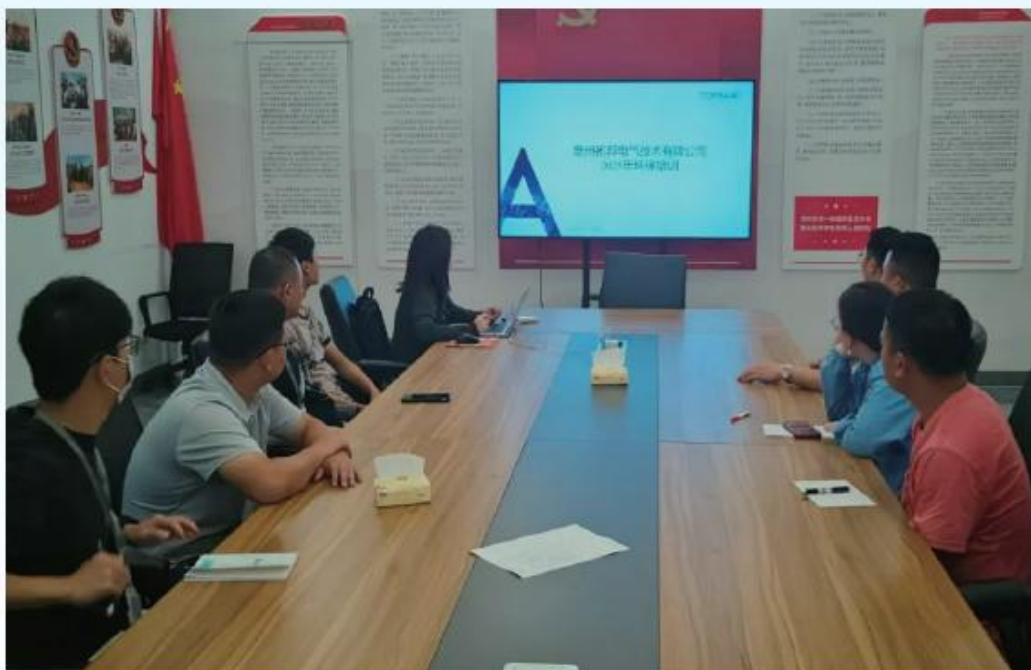


· Training for environmental protection

Topband carries out a variety of environmental protection training to effectively enhance the environmental awareness and practical ability of employees. The Company has established a three-level (company, workshop and shift) environmental training system to ensure that both new and transferred employees receive systematic environmental education. We adopt a combination of special training, practical drills, and themed activities to strengthen the pertinence and effectiveness of training. The training covers the basic knowledge of hazardous waste, relevant laws, regulations and standards, management systems and operating procedures of the Company, the proper use and maintenance of PPE/supplies, and emergency rescue measures in case of an accident.

Case

Huizhou Topband conducts environmental protection training to improve employees' sense of green responsibility



On July 25, 2025, Huizhou Topband conducted environmental protection training for management personnel of various business units and employees exposed to or managing hazardous waste. The training revolved around four aspects: the concept of hazardous waste, regulatory requirements, basic information of hazardous waste in the factory area, and data analysis of hazardous waste. Special assessment was organized simultaneously to improve the effectiveness of the training.



1.2 Combat with Climate Change

Under the severe situation of global warming, Topband has defined the climate action framework of "two increases and two decreases" based on the practical exploration into the path to realize low-carbon manufacturing, namely "increasing energy efficiency + increasing new energy" and "industrial carbon reduction + conservation for carbon reduction", and set the strategic goal of "creating carbon-neutral parks, zero-carbon plants and green products" to promote corporate climate governance systematically. In 2025, Shenzhen Topband further expanded implementation paths of the "two increases and two decreases" by taking four energy conservation measures, namely deploying energy storage cabinets, 720 kW supercharging piles, solar streetlamps, and radar induction switches in public areas to improve the energy efficiency level comprehensively, and implement energy conservation and carbon reduction measures.

"Two increases" - energy efficiency increase and new energy increase

Energy efficiency increase is to improve energy efficiency. By promoting low inventory production, strengthening manufacturing collaboration, improving the process management level, using low-carbon raw materials, and subjecting high-carbon energy sources to low-carbon treatment, energy efficiency is improved comprehensively.

New energy increase refers to developing and actively expanding non-fossil energy, such as solar energy, hydropower, wind energy, and hydrogen energy. Currently, the Company takes PV as the main entry point of utilizing non-fossil energy, and has installed PV roofs in the Shenzhen, Huizhou and Ningbo Parks.

"Two decreases" - industrial carbon reduction and conservation for carbon reduction

Industrial carbon reduction refers to optimizing and upgrading the industrial structure. The Company actively lays out green industries such as smart energy and intelligent driving LiDARs, relying on technology platforms such as frequency conversion, lithium batteries, and integrated control to promote production automation, industrial automation, and green transportation, and achieve low-carbon upgrading at the industrial level.

Conservation for carbon reduction means developing a low-carbon culture. A number of measures are implemented internally, including resource recycling, paperless office, green business, energy conservation transformation of offices, using low-energy equipment and water-saving devices, and increasing the green plant coverage in the park, to integrate energy conservation and carbon reduction into routine operations.

1.2.1 Greenhouse gas management

In accordance with ISO 14064-1:2018, the Guidance for Quantification and Reporting of the Organization's Greenhouse Gas Emissions (SZDB/Z 69-2018), the Guidance for Verification of the Organization's Greenhouse Gas Emissions (SZDB/Z 70-2018), the Technical Points for Carbon Emission Verification of Carbon Trading Controlled Organizations in Shenzhen, and the laws, regulations, and norms applicable to the places where the Company's production bases are located, Topband conducts self-inspection and verification on greenhouse gas emissions in Scope 1 (direct) and Scope 2 (indirect) within the organizational and reporting boundaries annually. In addition to internal self-inspection, the Shenzhen Plant's greenhouse gas emission data would be verified independently and regularly by a qualified third-party agency hired by the government to improve data reliability. In 2025, Huizhou Topband promoted the verification of Scope 3 carbon emissions and further implemented the carbon management responsibility throughout the value chain.



Greenhouse gas emission data	2023	2024	2025
Total greenhouse gas emissions (tCO ₂ e) - Shenzhen Plant	13,690.03	15,421.36	14,839.66
Total greenhouse gas emissions (tCO ₂ e) - Huizhou Plant	/	28,123.96	35,616.70
Total greenhouse gas emissions (tCO ₂ e) - Nantong Plant	/	/	11,810.40
Scope 1: Direct greenhouse gas emissions (tCO ₂ e)	123.03	767.63	837.65
Scope 2: Indirect greenhouse gas emissions (tCO ₂ e)	13,567.00	42,777.69	52,664.67
Scope 3: Other indirect greenhouse gas emissions (tCO ₂ e) - Huizhou Plant	/	/	8,764.44
Total greenhouse gas emissions (tCO ₂ e)	13,690.03	43,545.32	62,266.76

Note on the updated scope of statistics: In 2025, the scope of data statistics for Scope 1 and Scope 2 was further expanded to include the Nantong Plant on the basis of the existing Shenzhen and Huizhou Plants; the Huizhou Plant was newly included in the scope of statistics for Scope 3.

Note: The Scope 1 and Scope 2 data covers all activities related to CO₂ emissions in production areas, office areas and living areas of Topband, the Shiyang Branch and the wholly-owned subsidiaries registered in Shiyang, Shenzhen, Huizhou Topband, and Nantong Topband. The greenhouse gas emission data in 2025 is preliminary data, and the final data shall be subject to approval by the ecology and environment bureau.

In the meantime, Topband continues to promote the full-lifecycle carbon footprint management of its products. The Company employs a qualified third-party agency to conduct quantitative calculation, assessment and verification of carbon emissions of some products over the half lifecycle in accordance with standards including the Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification (ISO 14067:2018), the Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification (GB/T24067-2024), the Technical Requirements for Carbon Footprint Assessment of Lithium Battery Cell (T/SQIA059-2023) and Technical Requirements for Carbon Footprint Assessment of Power Adapter (T/SQIA091-2023). The Company's lithium iron phosphate battery pack and energy storage battery management system have passed product carbon footprint certification, providing key qualifications for products to participate in green procurement and gain market competitive advantages.



Product Carbon Footprint Conformity Certificate

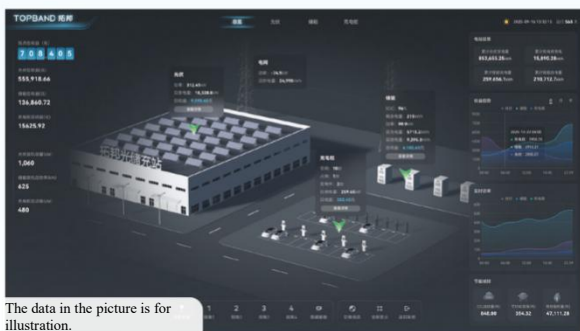


Case Topband launches the independently developed "Zero-carbon Cloud" platform

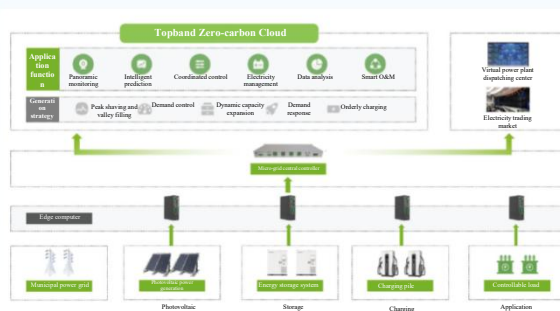
In 2025, in face of the increasingly stringent global requirements for climate action and the demand for refined corporate carbon emission management, Topband officially launched its independently developed "Zero-carbon Cloud" platform by integrating digital technology with the energy system actively to empower full-chain greenhouse gas management through digital innovation, and help achieve systematic and intelligent zero-carbon operations for the Company and parks.

This platform achieves the real-time collection, centralized monitoring, and intelligent optimal scheduling of data from photovoltaic power generation, energy storage charging and discharging, charging load, and other aspects using IoT and data middle office technology, and builds three intelligent collaborative modules: "cloud photovoltaic", "cloud storage", and "cloud charging", improving the overall operational efficiency and green electricity consumption level of the energy system significantly.

Based on the deployment and application of the "Zero-carbon Cloud" platform, corporate customers can achieve the unified management and strategic optimization of energy systems, increasing the proportion of clean energy, and reducing carbon emissions per unit of energy consumption effectively while ensuring energy security and stability. Currently, the platform has been deployed and verified in multiple scenarios of integrated photovoltaic, storage and charging, providing a replicable and sustainable implementation path for low-carbon transformation in industrial and commercial parks, charging stations, and other scenarios.



Interface of the Topband Zero-carbon Cloud



Topband Zero-carbon Cloud – Cloud-edge-device Architecture

Topband implements the green development strategy actively, and keeps deepening its carbon management system and refined energy operations. Currently, the Company's core low-carbon "storage" and "charging" products are achieving the precise control and continuous optimization of product carbon footprint gradually. In the future, the Company will keep promoting the optimization of green operational system, reducing carbon emission intensity, and contributing to the achievement of the "dual carbon" goal.

1.2.2 Seizing climate opportunities

In the process of jointly addressing the climate crisis globally, energy transformation and industrial upgrading driven by technological innovation have become the core path to achieve the carbon neutrality goal. The continuous expansion and deepening of new energy application scenarios have opened up vast growth opportunities for enterprises that make forward-looking arrangements.

As a pioneer in the industry, Topband is seizing this historic opportunity actively. The Company not only integrates the low-carbon intelligent concept into product planning and R&D design systematically through internal discussions, standard interpretation and other activities, but also participates actively in industry standard formulation as a member of the Shenzhen Energy Storage Standardization Committee to promote the high-quality development of the industry.

Based on its profound expertise in the field of intelligent control, the Company keeps deepening cooperation with top customers in the home appliance and tool industries to build a green and sustainable supply chain together. In the field of new energy, the Company has continuously expanded its business scale through close cooperation with strategic partners such as China Tower, and supplied high-reliability battery products to diverse markets such as light-duty power, industrial vehicles, and robots, forming significant market influence and good reputation.

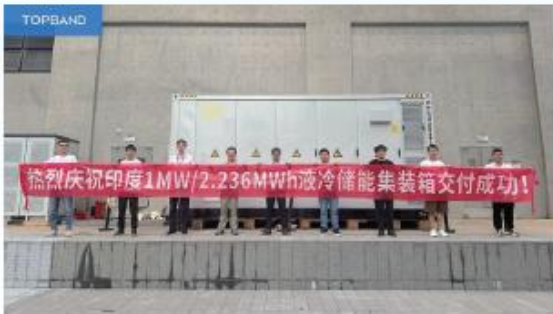


Case

The Topband MWh-level liquid-cooled energy storage system is deployed in India, expanding new space in the energy storage market

In 2025, India experienced extreme high temperatures and frequent power outages, and the need to ensure people's livelihoods and production through energy storage accelerated the release of market demand. In July 2025, the 1MW/2.236MWh liquid-cooled energy storage container system customized by Topband for an Indian customer was shipped successfully, and connected to the grid and put into operation at a chain five-star hotel under Tata Group in Haryana. This project addresses the pain points of India's unstable power grid and the high reliance of enterprises on high carbon diesel generators directly, and provides a stable and clean backup power source using a zero-emission, low-noise energy storage system, offering a practical and feasible model for local low-carbon transformation. The system adopts a highly integrated TEU design, shortening the transportation and installation cycle significantly, fully meeting the certification requirements of the Indian market, and achieving fast and compliant delivery.

As the Company's first MWh-level industrial and commercial energy storage project in the Indian market, this project not only sets a new record in overseas single-unit delivery capacity, but also marks a new stage in the Company's overseas deployment in the field of large-capacity industrial and commercial energy storage.



Shipment Scene



Intelligent Liquid-cooled Thermal Management System

Case

Topband's one-stop cloud photovoltaic, storage and charging solution makes its debut at the 2025 International Digital Energy Expo to seize energy digitization opportunities

At the 2025 International Digital Energy Expo, Topband showcased its fully self-developed liquid-cooled energy storage system, and "cloud photovoltaic, storage and charging" integrated product matrix, highlighting its frontier achievements in energy storage safety, wireless parallel connection, and digital operations.

The exhibited liquid-cooled energy storage system adopts a multi-level safety design and 5kW level liquid-cooled temperature control technology to limit the temperature difference of the cells to 3°C accurately, ensuring system safety fundamentally, extending the battery life significantly, and bringing longer-term and more stable investment return to customers.



Booth



All-in-one Liquid-cooled Machine Energy Storage System



1.3 Utilizing Resources Efficiently

Topband achieves the goal of efficient resource recycling by continuously improving energy, water resources, and material management, and reducing the waste of resources, laying a solid foundation for green and low-carbon operations, and promoting the in-depth implementation of the sustainable development concept.

1.3.1 Optimizing energy management

The Company has established a full-process energy management system that covers use, monitoring and improvement, integrating the concepts of energy conservation, consumption reduction, and green low-carbon development deeply into the entire production and operation process, and promoting the steady optimization of energy consumption.

· Energy management system

Topband strictly abides by the Energy Conservation Law of the People's Republic of China and other national laws and regulations as well as applicable relevant laws, regulations and policy documents of regions where its global business is located, and has established a series of internal systems such as the Energy Management Operation Mechanism, the Measures for Assessment of Energy Target Management, and the Energy Statistics Management System. In order to continuously improve management efficiency, the Company newly formulated the Management Regulations for Energy Conservation and Consumption Reduction in 2025 to manage energy consumption, including water, electricity, gas, etc., in various regions, and promote refined and systematic energy management.

Each branch or subsidiary formulated and implemented a series of energy conservation measures and management regulations based on the guidelines of the headquarters and their own actual situation. Among others, Shenzhen Topband formulated the Energy Waste Registration System based on the General Provisions of the Regulations on Management of Environmental Protection, and other systems, and included energy conservation targets in annual KPI assessment to strengthen the implementation of responsibilities; Ningbo Topband and Nantong Topband formulated and implemented the System for the Management of Energy-saving Operation, and the Regulations on the Management of Energy-saving Use of Hydropower to regulate routine energy consumption behavior.

Topband built an energy management architecture across the Company and business unit levels to ensure the effective implementation and supervision of energy management strategies at all levels. Each branch or subsidiary set up an energy leading group, headed by its president, and composed of representatives from business units, responsible for leading the assessment of energy targets. Each business unit set up a special energy management group. The group leader is responsible for coordinating company-level energy conservation tasks and cross-departmental actions, and carrying out monthly energy consumption inspections, special meetings, and rectification tracking routinely. The representative of each department is responsible for the energy management of the department, covering energy-saving improvement in multiple aspects such as production, quality, engineering and warehousing; the energy conservation inspection specialist is responsible for routine energy conservation inspections and monthly inspections to ensure the continuous and effective operation of the energy management system.

· Promoting energy efficiency improvement

2025

Compared with 2024, the Company's actual energy consumption per RMB 10,000 of output value decreased by 11.36%.

Note: Year-on-year change rate of energy consumption per RMB 10,000 of output value (unit: MWh per RMB 10,000 of output value) = (energy consumption per RMB 10,000 of output value in 2025 – energy consumption per RMB 10,000 of output value in 2024)/energy consumption per RMB 10,000 of output value in 2024 * 100%; the scope of statistics covers all production areas and associated living areas of the Company's headquarters and wholly-owned subsidiaries.



On the basis of a sound energy management system and a sound organizational structure, the Company has established a systematic energy management operation mechanism that runs through "target setting – execution – monitoring – improvement", and integrates various basic energy conservation tasks, forming a closed management loop.

Guided by medium- to long-term plans, and annual plans, the Company breaks down energy conservation targets to various levels scientifically, and supports them through basic tasks such as energy consumption statistics and analysis, and energy measurement. The Company fully utilizes the data analysis function of the energy management platform to improve the list of high-power equipment, and establishes an energy management card to monitor the operating status of key equipment, achieving precise control over energy consumption.

In terms of process control and continuous improvement, the Company has established a normalized energy auditing and inspection mechanism. Through internal energy consumption data, the Company accurately locates and rectifies energy waste problems. In terms of organizational execution, the Company organizes monthly special cross-departmental energy consumption inspections to identify potential problems comprehensively; the energy management team of each business unit conducts two internal energy consumption inspections a month and holds special meetings for tracking and rectification, ensuring that measures are implemented at the end. Through full-process control, the Company provides solid support for the efficient utilization of resources.

Energy conservation type	Specific measures
Optimization of control measures	<ul style="list-style-type: none"> • Enhancement of control over equipment power consumption: The control of air conditioning temperature and lighting was optimized, air conditioning temperature was fixed at 24°C-26°C, and a responsible person was designated for supervision and control; the lighting system in workshops and offices was finely managed; the use and shutdown process of key high-power equipment was standardized to avoid power waste caused by the long-term idling or standing-by of equipment. • Improvement of the inspection system: Current electricity use is inspected, and inspection results were disclosed once or twice a month. In addition, the energy consumption inspection mechanism was implemented to improve the understanding of and support for energy-saving and consumption reduction actions through regular energy consumption inspections and summary meetings. • Classified management of energy consuming equipment: Reasonable power on/off and standby times were verified for high-power equipment (wave soldering). • Application of intelligent control system: Intelligent control technology was introduced to achieve precise temperature and humidity management; intelligent control was implemented for workshop air conditioners, supporting remote monitoring to further optimize energy efficiency; high energy consumption equipment (air conditioners, exhaust fans) was put on the intelligent management platform to control wind speed, operating power, and automatic power-off, and reduce energy consumption.
Equipment renewal and modernization	<ul style="list-style-type: none"> • Upgrading of equipment in living and office areas: Equipment with first-class energy efficiency was used instead in dormitories; the lighting system in the office area was optimized for energy saving. • Optimization of workshop equipment and ventilation system: Efficient smoke purifiers were used, and separate control valves were added for soldering smoke purification; air curtains were installed at the exit of workshops, and thermal insulation paper was installed on doors and windows to reduce cold air loss and heat transfer; the workshop exhausting system was changed to a combination of timer and automatic variable-frequency control, with noon breaks on workdays (about 2h per day); exhaust fan frequency converters were subject to automatic frequency reduction to reduce energy consumption during peak hours of electricity consumption. • Modification of heating equipment and thermal insulation: For all newly purchased heating equipment, thermal insulation structure was added as required to reduce the loss of heat energy of equipment and improve the refrigeration effect of air conditioning; existing old heating equipment such as wave and reflow soldering equipment was subject to thermal insulation to reduce heat conduction and save air conditioning costs.
Energy recovery	<ul style="list-style-type: none"> • Waste heat recovery: Huizhou Topband and Ningbo Topband converted waste heat generated during the operation of the air compressor into hot water resources by an installed waste heat recovery device. • Steam condensate waste heat recovery: Nantong Topband recovered steam condensate waste heat to provide hot water for employees' daily life.
Use of renewable energy	<ul style="list-style-type: none"> • Construction of "photovoltaic power generation + energy storage" green parks: Each park continues to promote the construction of photovoltaic power generation. • Shenzhen Topband: The capacity of the existing photovoltaic system was 340 kWp. In 2025, the photovoltaic power output was 285 MWh and for its own use only. • Huizhou Topband: The capacity of the photovoltaic power station was 1,354 kWp. In 2025, the photovoltaic power output was 1,424.68 MWh. • Ningbo Topband: The capacity of the photovoltaic power station was 1,479.089 kWp. In 2025, the photovoltaic power output was 1,486.288 MWh, the self-use power consumption was 1,431.808 MWh, the residual electricity fed into the grid was 42.8 MWh, and the photovoltaic power output accounted for 14.9% of the park's electricity consumption. • Nantong Topband: The capacity of the photovoltaic installed system was 1,817.22 kWp, which was put into operation in May 2025, with a photovoltaic power output of 1,346.816 MWh during May-December.



Indicator	Unit	2023	2024	2025
Annual total energy consumption *1	MWh	100,971.70	129,865.79	135,485.92
Renewable energy power generation	MWh	2,239.00	4,311.47	4,542.78
Natural gas	m ³	215,907.00	141,846.00	144,891.00
Outsourced electricity	MWh	96,573.63	122,997.90	129,263.91
Power consumption *2	MWh	98,812.63	127,309.37	133,806.69

*1: Annual total energy consumption (MWh) = Σ (fossil energy consumption x corresponding energy density/3,600) + outsourced electricity (MWh) + power output of renewable energy (MWh) – photovoltaic power output (MWh); fossil energy refers to gasoline, diesel, and natural gas, with energy density/calorific values being 33.4 MJ/L, 36.8 MJ/L, and 37 MJ/m³, respectively; 3,600 is the conversion factor between MJ and MWh.

*2: Updated calculation method in 2025: electricity consumption = outsourced electricity + power output, where "power output" refers specifically to "power output of renewable energy".

1.3.2 Strengthening water-saving management

2025

Compared with 2024, the Company's total water consumption per RMB 10,000 of actual output value decreased by 4.98%.

Note: Year-on-year change rate of water consumption per RMB 10,000 of output value (unit: cubic meter per RMB 10,000 of output value) = (water consumption per RMB 10,000 of output value in 2025 – water consumption per RMB 10,000 of output value in 2024)/water consumption per RMB 10,000 of output value in 2024 * 100%; the scope of statistics covers all production areas and associated living areas of the Company's headquarters and wholly-owned subsidiaries.

Topband complies with domestic laws and regulations such as the Water Law of the People's Republic of China and the Regulations on Water Conservation, as well as applicable regulations in other regions where its global business is located. The Company has established a comprehensive water resource management system, including the Management Regulations for Water and Electricity Use, the Management Regulations for Wastewater Pollution, and Management Regulations for Environmental Protection, and Energy Conservation and Emission Reduction, specifying the management requirements for the whole process from water use and water conservation to drainage and treatment, and providing clear policy guidance and specifications for water conservation work.

The Company regards "recycling and resource conservation" as one of its core principles, and guides all employees to practice the water conservation concept. In addition, the Company continues to improve its water conservation management system, and promote technological innovation and behavior change in order to reduce water consumption intensity, and achieve the sustainable management of water resources while maintaining business growth.



Type of technological transformation	Specific measures
Process water reuse	In the production process, after steam condensate is recovered, reclaimed water is delivered to the dormitory area through a dedicated pipeline for use in the toilet flushing system, achieving the cascade and circular utilization of water resources.
Cooling system optimization	A frequency converter is installed for the cooling water pump and connected to the automatic control system, which can adjust the water circulation flow automatically based on the actual load, and reduce the energy and water consumption of the water pump during low load periods significantly.
Circulating cooling system	Each production project is provided with multiple circulating cooling towers to ensure that cooling water is reused in a closed-loop system, reducing the amount of one-time water replenishment significantly.

In routine operations, the Company implements water conservation measures comprehensively through refined management and publicity guidance.

Routine management	Specific measures
Water use monitoring	<ul style="list-style-type: none"> · Water consumption data was analyzed based on monthly meter reading records, causes of water consumption differences were accurately located, and they were handled in time. · Water-saving facilities, including faucet water savers, water-saving showers and sensor faucets, were regularly inspected and maintained, and water leaks were repaired in a timely manner.
Equipment upgrading	<ul style="list-style-type: none"> · Water-saving showers or sensor faucets were used in the park to reduce the waste of water resources, which is expected to save about 4,000 cubic meters of water every year under ideal conditions. · A central drinking water filtration system was used for water dispensers in dormitories to achieve water-saving and electricity-saving effects, which is expected to save about 8,500 kilowatt hours of electricity and 450 cubic meters of water per year.
Water-saving publicity	<ul style="list-style-type: none"> · In the park, water-saving publicity activities were widely carried out and water-saving signs were posted to create a strong water-saving atmosphere.

1.4 Joint Ecological Protection

Topband adheres to the concept of systematic environmental management, fully integrates ecological protection requirements into the whole production and operation process, strengthens chemical safety management, prevents noise pollution scientifically, and deeply implements ecological and biodiversity protection measures to practice green development responsibilities, and promote harmonious coexistence between humanity and nature comprehensively.

1.4.1 Management of the three wastes

Through the scientific and standardized management of the three wastes, Topband effectively controls the environmental impact of wastewater, waste gas and solid waste generated in the production process, ensures their up-to-standard discharge and standardized treatment, and earnestly fulfills its corporate environmental protection responsibilities through a combination of source control, process management, and compliant disposal.



· Management of wastewater discharge

Topband strictly adheres to the Emission Limits of Water Pollutants (DB 44/26-2001), the Integrated Wastewater Discharge Standard (GB 8978-1996), the Wastewater Quality Standards for Discharge into Municipal Sewers (GB/T 31962-2015) and applicable regulations in other regions where its global business is located, and has formulated internal systems such as the Emergency Control Procedure for the Nonconforming Discharge of Wastewater from Wastewater Treatment Plants, and the Management Guidelines for Wastewater Discharge, Exhaust Emissions and Noise for routine management.

Topband strictly monitors key indicators in wastewater, including pH value, suspended solids, chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, total nitrogen, and animal and vegetable oils, and implements a classified treatment strategy to prevent industrial wastewater from mixing with domestic wastewater for treatment. Domestic wastewater flows into municipal pipelines for centralized treatment by the wastewater treatment plant. In addition, the Company arranges for a qualified organization to conduct domestic wastewater discharge indicator testing at least once a year. In 2025, the Company met the target of up-to-standard wastewater discharge.

Domestic wastewater	Industrial wastewater
<p>It mainly includes toilet and kitchen wastewater. Toilet wastewater is discharged into the municipal pipeline network through the existing drainage system in the park for treatment in the municipal wastewater treatment plant. Kitchen wastewater is filtered and discharged into the drainage pipeline of the industrial park. Nantong Topband has built a domestic wastewater treatment station to treat domestic wastewater within the factory area, and reduce the impact of domestic wastewater on the municipal wastewater treatment system.</p>	<p>It strictly implements the zero emission principle and hands over all hazardous waste to qualified third-party hazardous waste disposal companies for disposal. Nantong Topband has built a dedicated production wastewater treatment station to monitor drainage data in real time and connect it to the online monitoring system of the environmental protection bureau for dynamic supervision.</p>

Wastewater control mechanism

Rainwater discharge control	<ul style="list-style-type: none"> · Fully implement the separation of rainwater and wastewater, ensuring the independent operation of rainwater and wastewater pipeline systems; · All construction, reconstruction and expansion projects are provided with rainwater discharge facilities to prevent wastewater from entering rainwater pipelines by mistake; · The Company's Administration Department regularly organizes inspections of the drainage system to ensure smooth operation of the pipeline network; · The Company's Administration Department regularly contacts a qualified agency to inspect rainwater discharge at least once a year. If the inspection results do not meet the limits specified for environmental impact assessment, the Administration Department is responsible for identifying the cause and making improvement until the standard is met.
Wastewater treatment operating procedures	<ul style="list-style-type: none"> · The canteen grease trap is regularly cleaned, and a filter is provided at the wastewater outlet to prevent oily wastewater from being discharged directly into the sewer without treatment; · The storage of waste in open air is standardized to prevent wastewater from flowing into rainwater pipelines; · It is prohibited to wash vehicles in the Company to prevent oil stains from entering the drainage system; · Oils and chemicals dripping on the floor are wiped up with a rag, and it is forbidden to flush them with water into the sewer; · Wastewater generated by screen cleaning and equipment cleaning is uniformly collected and handed over to a qualified environmental protection company for treatment.



· Exhaust emission management

Topband has formulated internal systems such as the Management Regulations for Exhaust Emissions, and the Control and Management Guidelines for Wastewater Discharge, Exhaust Emissions and Noise in accordance with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and relevant laws and regulations in places where its plants are located, as well as the Integrated Emission Standard of Air Pollutants (GB16297-1996), the Integrated Emission Standard of Volatile Organic Compounds for Stationary Pollution Sources (DB442367-2022) (Guangdong), the Ambient Air Quality Standards (GB3095-2012), the Emission Limits of Air Pollutants (DB44/27-2001) (Guangdong), the Emission Standards of Pollutants for Battery Industry (GB30484-2013), and other standards and specifications, laying an institutional foundation of harmless exhaust treatment.

Waste gas pollutants generated in the Company's production and operation process mainly include volatile organic compounds (VOCs), non-methane total hydrocarbon concentration, particulate matter, and canteen fumes. The Company has adopted diversified treatment strategies based on their characteristics to ensure that waste gas emissions comply with standards. In 2025, the New Energy Business Unit completed the upgrading of environmental protection equipment, replaced the former photocatalytic waste gas treatment facility with an activated carbon adsorption system, and established a regular replacement mechanism to improve the treatment efficiency of VOCs.

Waste gas control measures

Supporting facilities for waste gas treatment equipment

- Equipment with large waste gas emissions and great environmental impact shall be provided with exhaust gas treatment devices to ensure that waste gas emissions meet the requirements of laws and regulations;
- All departments are required to take waste gas into consideration, and install waste gas collection devices for pollution-producing equipment and facilities during project construction, reconstruction and expansion;
- When the waste gas generating equipment is working, the waste gas collection device must be turned on, and the direct discharge of waste gas is prohibited;
- Waste gas generated at the production site is collected by the exhaust fan at the work site, and then discharged after being adsorbed by activated carbon in the waste gas treatment device on the roof of the factory building.

Monitoring and management of waste gas

- Third-party agencies with nationally recognized qualifications are entrusted for monitoring/measurement regularly, among which the New Energy Business Unit engages an external testing agency with nationally recognized qualifications for monitoring at least twice a year to ensure data authority and reliability;
- All monitoring results are summarized by the Company's Administration Department, which fills in and publishes the monitoring data on the national pollution source platform, takes corrective measures for nonconformities, and tracks the effectiveness of these measures to form a closed management loop.

Routine O&M and awareness enhancement

- Spot checks are conducted on environmental protection equipment on time, and the activated carbon inside the environmental protection equipment used to absorb waste gas pollutants is regularly replaced;
- Domestic waste gas generated in the Company's canteen is purified by the kitchen air purifier before being discharged;
- Annual inspection is conducted on all vehicles of the Company to ensure that exhaust emissions meet legal and regulatory requirements;
- Internal training and publicity are strengthened to improve employees' awareness of waste gas emission reduction and environmental protection continuously.

All Topband bases strengthened waste gas treatment in 2025

Nantong Topband: It focused on the control of unorganized emissions, and added dust collection devices in relevant dust production steps. By strengthening local sealing and centralized ventilation, the effective capture of particulate matter was achieved, reducing the escape of unorganized dust in the factory area.

Topband Vietnam: It optimized the exhaust gas collection and treatment process using an activated carbon box adsorption device combined with an optimized air duct exhaust system. This combined process improved the overall removal efficiency of pollutants.



· **Waste management**

Topband adheres to the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the National Catalogue of Hazardous Wastes, and other applicable laws, regulations and policy documents in regions where its global business is located, and has formulated waste management systems such as the Waste Management System, the Environmentally Hazardous Waste Management System, and the Hazardous Waste Management Regulations.

The Company is committed to reducing the generation of waste from the source. It introduces ecofriendly materials by upgrading production and technology, and adopts advanced technologies such as activated carbon adsorption, laser welding, and wash-free cast welding machines to reduce the waste generation rate effectively. The Company's Administration Department is responsible for sorting, collecting and transferring waste, and ensuring that ordinary and hazardous waste is stored separately, and handed over to professional waste treatment stations for recycling respectively, so as to achieve standardized waste management. Hazardous waste is uniformly transported to qualified third-party agencies for compliant disposal, while general industrial solid waste is entrusted to qualified manufacturers for harmless recycling and treatment. In 2025, Ningbo Topband replaced recyclable granular activated carbon to further reduce the generation of hazardous waste.

Disposal of hazardous waste

- For the storage, utilization and transportation of hazardous waste, the Company has established a hazardous waste record management system, and arranged personnel to maintain data on the hazardous waste management platform, fully understanding the types and quantities of hazardous waste.
- During the collection, storage, utilization and transfer of hazardous waste, the Company has set up accurate, obvious and eye-catching warning signs and signboards in accordance with the requirements of national standards, and sorted hazardous waste strictly according to its characteristics.
- The Company has set up a special warehouse for the transfer of hazardous waste, which is managed and monitored in real time by specialized personnel. Hazardous waste at the end of its lifecycle is handed over to a qualified supplier for decomposition and sorting every 7-10 days.
- Records of hazardous waste treatment are kept properly to ensure that the quantities and types of hazardous waste treated are consistent with those of hazardous waste actually generated and stored to promote the implementation of the zero waste landfilling project.

Indicator	Unit	2023	2024	2025
Total weight of hazardous waste disposed of	MT	933.45	938.78	1,044.87
Total weight of nonhazardous waste disposed of	MT	1,825.00	2,204.71	1,988.15

Case Nantong Topband and Topband Vietnam carried out training on hazardous waste management

Nantong Topband continued to carry out special training on hazardous waste management, explaining hazardous waste classification, compliance disposal processes, and environmental risks systematically, improving the professional operation capability and subject responsibility awareness of relevant personnel effectively, and providing strong support for the standardized full-process management of hazardous waste.

Topband Vietnam incorporates environmental training into its employee growth system, implementing regular EHS training and annual refresher training, covering waste classification, chemical safety, emergency response, etc., to ensure that all employees master the necessary environmental knowledge and operating regulations, and promote the implementation of environmental management requirements in day-to-day work.



1.4.2 Management of chemicals

Topband strictly complies with the Regulations on the Safety Management of Hazardous Chemicals, the Regulations on the Management of Monitored Chemicals, and relevant laws and regulations in the location of the plant, and has established a comprehensive chemical management system covering the entire process from procurement, storage and use to disposal. The Company has established regulations such as the Chemical Management System, the Chemical Introduction and Management Standard, and the Hazardous Chemical Safety Management Procedure to ensure the standardization of chemical safety management. During the Reporting Period, the Company achieved the goal of zero chemical leakage accidents.

In 2025, on the basis of continuously improving the institutional framework, the Company focused on strengthening risk control in key aspects. Huizhou Topband implemented a strict approval process for purchased high polluting chemicals, requiring multiple approvals from department heads, managers, and safety management personnel, and strengthening control from the source. In addition, each base of the Company has set up leak-proof tanks at chemical warehouses and fully implemented secondary container storage, improving leakage resistance significantly. Each business unit generally implements a chemical receiving registration system, requiring precise receiving based on the actual demand of the work order, and specifies that the amount stored on site shall not exceed the amount for one full day, reducing the risk of onsite storage effectively.

The Company standardizes the full-lifecycle management of chemicals continuously, eliminates the risk of chemical leakage, and reduces potential impacts on the environment and safety by implementing the above refined measures. In the meantime, the Company actively applies chemical recycling technology to promote the recycling of solvents, save solvent resources, and reduce the potential environmental impact of solvent emissions. For example, the Company has adopted advanced solvent evaporation liquid cooling recovery technology to achieve the efficient recovery of NMP solvents, and keep the recovery rate of anode slurry solvents stable at over 90%.

Management stage	Specific measures
Purchase	<ul style="list-style-type: none"> · All departments shall try to replace hazardous chemicals with non-hazardous chemicals in production processes or daily use; · All containers of hazardous chemicals entering the Company shall be labeled with the name of hazardous chemicals contained, potential hazards, etc. The label text must be easy-to-understand symbols or text, and signs of hazardous materials or fire prevention shall not be blocked.
Storage	<ul style="list-style-type: none"> · Hazardous chemicals must be stored in special warehouses, special places or special storage cabinets and managed by specially assigned personnel, and provided with fire and lightning protection facilities as required; · Hazardous chemicals in large quantities or with a long period of storage must be placed in hazardous chemical warehouses. Departments may store small quantities of hazardous chemicals in temporary warehouses, but the storage volume must not exceed three days' usage; · Cofferdam facilities are set up in the chemical storage tank area, and a special pollutant discharge pool is installed in the hazardous chemical warehouse to ensure that chemical reagents leaking during storage can be effectively intercepted and centrally collected to prevent outflowing and pollution.
Use	<ul style="list-style-type: none"> · Chemicals are collected by the material clerk from the Company's chemical station according to actual production needs and stored in the workshop's chemical warehouse. The production line actually receives chemicals based on the work order usage and completes warehouse-in and warehouse-out registration; · Emergency flushing equipment is installed in all places where hazardous chemicals are used, and showers are installed in areas where corrosive and toxic chemicals are used; · Used waste shall not be dumped at will but be properly stored in special containers and recovered by designated partners.
Emergency response	<ul style="list-style-type: none"> · An emergency drill for hazardous chemical leakage is conducted once a year to enhance employees' emergency response skills in the event of emergency leakage of hazardous chemicals; · Operators are regularly trained and assessed to ensure that they have necessary safety knowledge and skills; · Emergency response plans for work safety accidents are established, including on-site disposal plans for hazardous chemical leakage accidents; · Regular safety inspections and assessments are conducted at chemical storage and use sites to timely identify and eliminate safety risks; · Safety protection articles and facilities, such as protective gloves, protective masks, leak-proof tanks and eyewash stations, are provided to build a strong safety defense line comprehensively.



1.4.3 Management of noise pollution

Topband strictly adheres to relevant standards such as the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008), has formulated internal management systems such as the Measures for Management of Noise Control, the Control and Management Guidelines for Wastewater Discharge, Exhaust Emissions and Noise, and the Control Procedure for Environmental and Safe Operation, and has set management objectives for the up-to-standard discharge of noise at the boundary to effectively prevent noise pollution. In 2025, the Company achieved the goal of meeting the Class 3 standard in the Emission Standard for Industrial Enterprises Noise at Boundary: ≤ 65 dB in the daytime and ≤ 55 dB at night.

The Company made reasonable arrangements for noise pollution sources, and took effective isolation, anti-vibration and noise reduction measures for key noise sources. We gave priority to installing sound insulation devices in workstations with high noise levels. For example, ultrasonic welding machines were provided with a semi-closed soundproof housing, and sound-absorbing cotton was installed inside the soundproof housing to further reduce noise transmission. In addition, the Company distributed noise-proof headphones to all employees working in noisy environments and urged their wearing to protect their hearing health practically.

The Company has formulated an annual noise testing plan and conducts noise testing quarterly to ensure that test values are within the standard range. In addition, the Company regularly hires external third-party testing agencies with nationally recognized qualifications to conduct noise monitoring every year to ensure that factory boundary noise complies with the standard.

1.4.4 Ecological protection and biodiversity

Topband recognizes that a healthy ecosystem is the foundation of sustainable development for an enterprise. The Company strictly adheres to relevant national laws and regulations, and gradually integrates the concept of ecological protection into environmental management practices.

The Company attaches great importance to the ecological rationality of project site selection. After systematic screening and confirmation, all existing production and operation sites, including those in Nantong and Vietnam, are not located within or in vicinity to "ecological protection redlines", "nature reserves" or "key ecological function zones" designated by the state or local governments. In the site selection evaluation of new projects, the Company also considers ecological sensitivity as a key factor, and avoids ecologically fragile areas actively to reduce potential biodiversity impact risks from the source.

We actively implement ecological protection and restoration actions within our capabilities around our production and business premises, and are committed to creating a greener working environment. Nantong Topband carries out large-scale landscaping in the park, plants native plants, and ensures that all production and domestic wastewater is treated up to standard before discharge, reducing the load on the surrounding water environment. Through internal promotion and advocacy, Topband Vietnam continues to communicate the concept of "protecting the environment and caring for the factory area" to its employees, enhancing their awareness of ecological protection. In addition, each park continues to strengthen strict control over pollutants (wastewater, exhaust gas, and waste) to ensure the effective operation of environmental protection facilities and minimize the indirect impact of operations on local biodiversity.

In the future, the Company will continue to deepen its biodiversity conservation measures, further explore the path of evaluating its own operations' dependence and impact on nature systematically, and incorporate biodiversity conservation into the Company's long-term sustainable development strategy and management practices at deeper levels gradually.



1.5 Promoting the Circular Economy

Under the state's strategic guidance of vigorously promoting the development of the circular economy, Topband actively practices the concept of green development, and integrates resource recycling throughout the lifecycle of product design, production, packaging, and recycling. The Company adheres to the principle of "reduction, reuse and recycling", and takes measures such as continuously improving product design and development, using ecofriendly materials, and promoting packaging improvement actions to reduce environmental pollution, improve resource utilization efficiency, and help achieve the national green transformation goal during the 15th Five-Year Plan period comprehensively.

1.5.1 Green design

To reduce resource waste and environmental pollution from the source, Topband has formulated a series of internal documents such as the Design and Development Management Control Procedure, the Packaging Design Specification Management Control Document, and the Microelectronics Scrapping Management System, and established a cross-departmental development team that includes environmental protection specialists. The Company has established an environmental and safety control process that covers the whole design process. From the time of requirement collection, relevant regulatory requirements are broken down into specific design stages such as products, processes and packaging gradually.

In the product design stage, the Company incorporates the green concept as a core consideration. The Company has improved the charging and discharging efficiency, and service life of its products significantly by introducing an efficient battery management system, thereby extending the service life, and reducing unnecessary replacement and resource losses. In the material selection stage, the Company strictly adheres to the environmental protection orientation, prioritizes the use of nontoxic, recyclable or biodegradable materials, and resolutely refrains from using materials containing hazardous substances.

In addition, the Company actively promotes resource recycling by recovering effective materials from waste lithium-ion batteries and using them for the manufacturing of recycled lithium products, thereby continuously improving the comprehensive utilization rate of resources and effectively reducing the dependence on primary minerals.

1.5.2 Green production

The Company comprehensively promotes the green transformation of the production process through technological innovation and management improvement. Guided by environmental protection and energy conservation, the Company integrates multiple dimensions such as product realization, customer demand, capacity configuration, quality requirements, and cost control into production process design systematically, and selects lower-carbon production processes scientifically. For example, for products with fewer solder joints, efficient and energy-saving processes such as collision welding and laser welding are preferred to replace conventional wave soldering, reducing energy consumption and pollutant emissions effectively.

In the meantime, the Company has established a complete product development stage review mechanism, and conducts rigorous assessment at every critical node to ensure that all standards are fully implemented. In manufacturing process control, it focuses on environmental impacts of high-risk processes and implements precise monitoring. For example, in the wave soldering process, by regularly conducting weekly solder composition testing and having process inspectors verify results on site, the Company ensures continuous compliance with environmental regulations and the environmental friendliness of the entire production process.



1.5.3 Green packaging

The Company integrates the sustainability concept into its packaging strategy, defines the environmental standards for packaging materials in the packaging design specification management control documents, prioritizes low environmental impact materials that comply with RoHS, REACH and other requirements, and reduces the use of packaging materials based on the principle of maximizing space utilization. The Company communicates with customers on using recyclable and sustainable packaging methods for shipment, such as vacuum formed materials and recyclable turnover boxes. During the Reporting Period, the Company further promoted packaging transformation, reduced the proportion of vacuum formed packaging gradually, increased the proportion of easily recyclable materials such as cardboard boxes, and implemented a recycling plan for turnover boxes for customers in the Pearl River Delta and other regions.

1.5.4 Waste recycling

The Company pays attention to end-of-life environmental impact management, covering key aspects such as product recycling and disposal. The Company collects solid waste such as copper foil separately and hands it over to qualified agencies for standardized recovery and disposal, ensuring the efficient reuse of resources and environmental safety. In 2025, Nantong Topband recycled 140.6 tons of productive waste, achieving full recycling and monetization; 623 tons of NMP waste liquid were all recovered by OEMs and deducted from the cost of raw material purchase, forming a closed management loop.

In terms of overseas business, the Company also adheres to the principle of being responsible for the entire product lifecycle and actively performs its environmental responsibilities. In 2025, Topband Romania set targets for packaging waste recycling rates in compliance with local laws, including 75% for paper and cardboards, 50% for plastics, and 25% for timber, all of which were complied with; Topband Vietnam also actively responded to local environmental policies, implemented measures to save office resources, including double-sided printing and the use of recycled paper, and achieved the target of 100% waste disposal by conforming recyclers.



02

Innovation-oriented Development and Value Co-creation by Employees

Innovation leadership and value co-creation by employee are the long-term value pursuit adhered to by Topband. Topband is deeply engaged in product R&D and technological innovation, adheres strictly to quality and safety standards, improves service quality continuously, and builds a responsible supply chain system actively. Meanwhile, the Company always protects the lawful rights and interests, and occupational health and safety of employees, and participates actively in community building. In the process of innovation and development, and social responsibility practice, the Company works and grows with employees.



2.1 Innovative Quality Services

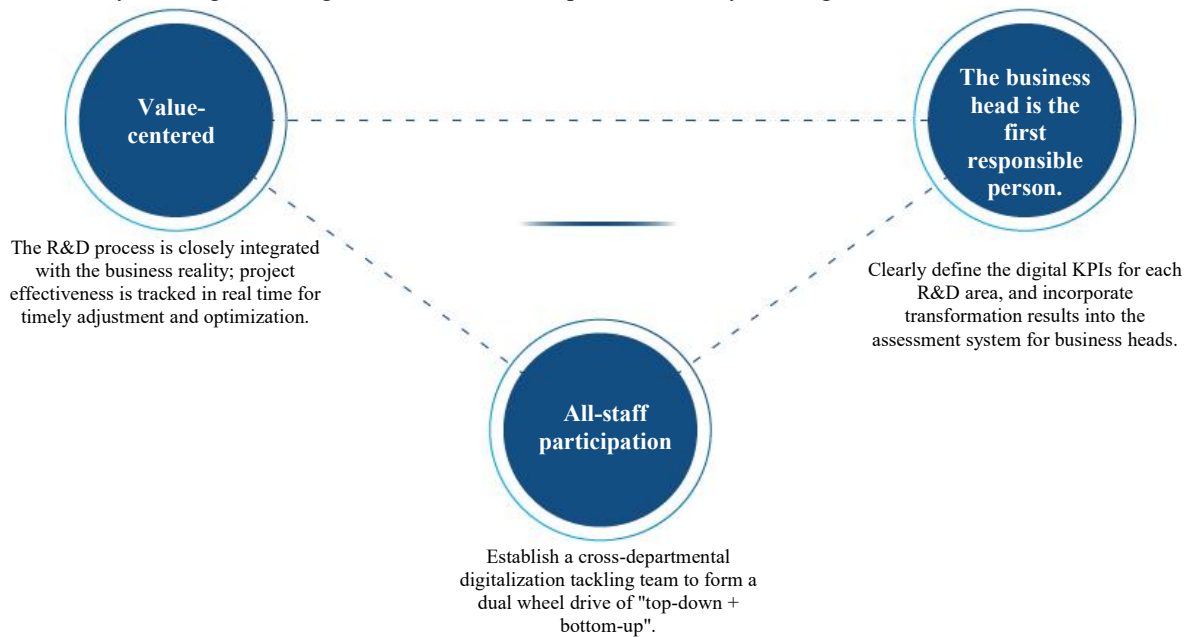
Topband adheres to the core orientation of innovative quality service, promotes product R&D and technological innovation continuously, strictly adheres to the bottom line of product quality and safety, improves the service level continuously, and supports high-quality business development in an innovation-driven, quality-supported and service-empowered approach.

2.1.1 Product development and innovation

Topband has always regarded R&D digitization as the core engine for corporate innovation and efficiency improvement, which has become an important breakthrough in promoting strategic implementation. To support sustainable and healthy development, and improve operational efficiency and the management systems, we have launched the digital R&D project, which is oriented to "personnel efficiency improvement" and based on "all-staff collaboration" to reconstruct the innovation paradigm and R&D ecology comprehensively.

· Innovation and R&D strategy

The Company has established an integrated R&D architecture that covers basic research, application development, and frontier exploration. We have established a number of specialized research departments to tap innovation potential continuously based on our interdisciplinary collaboration platform. To ensure the effective implementation of digital R&D, the Company has defined three core guidelines and four core actions that unify the understanding and action direction of all employees, thereby creating a more agile, efficient, and competitive R&D system together.



Four core actions

Standardization	Digitization	Tool efficiency improvement	Data interconnection
Promoting the standardization of R&D processes and the unification of data standards	Build a "technological knowledge base matrix" that covers multiple types of knowledge bases such as component encapsulation bases and standard circuit module bases, and transforms experience into shared digital resources	Provide the R&D team with intelligent equipment through the dual paths of "introducing AI programming tools + optimizing the depth of existing tools".	Share the four core data streams and build an integrated data network of "business – R&D – supply chain – production".

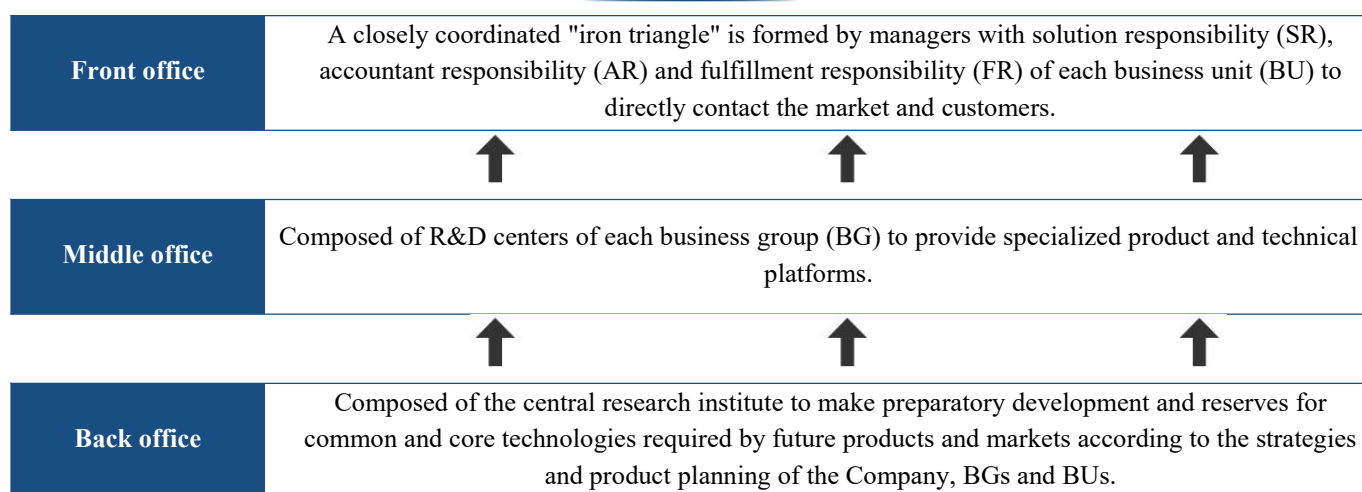


· Innovation and R&D system

In terms of R&D management system building, the Company has implemented the IPD (integrated product development) model and established a customer-oriented product development framework. By deeply integrating demand insights, process optimization, and integrated development, the Company has created an agile and efficient collaborative innovation system, enhancing product innovation capabilities, market adaptability, and commercialization efficiency significantly.

In order to continuously improve R&D efficiency, the Company has established management standards that run through the whole product lifecycle, covering all aspects from product planning and project execution to testing, verification, and achievement transformation. In addition, the Company will establish a digital contribution incentive mechanism, giving priority to employees and officers who actively contribute and create significant value in process optimization, tool improvement, and knowledge base building in job promotion and job level evaluation. By effectively implementing the innovation and R&D system, we have aroused the enthusiasm of employees in making breakthroughs and pursuing innovation effectively, and developed an organizational culture of open collaboration and all-staff innovation gradually.

Front office-Middle office-Back office Three-level R&D Organization Structure



Indicator	Unit	2025
R&D personnel	Person	2,138
Proportion of R&D personnel	%	16.19
R&D investment	RMB hundred million	10.47
Proportion of R&D input	%	9.45



· Building an industry ecosystem together

Topband continues to share its technological and practical achievements with external stakeholders, and participates actively in the formulation and promotion of industry standards. In the meantime, the Company contacts external innovation forces extensively, and carries out deep strategic cooperation with universities, research institutions, and industry partners to build a collaborative innovation system featuring deep industry-academia-research-application integration jointly.

Industry technical organizations/associations	Topband appointment/membership qualification
National Technical Committee for Standardization on Home Automatic Controllers	Member
National Standards Subcommittee for Electromagnetic Compatibility of Household Appliances, Electric Tools, Lighting Equipment, and Electrical Toys, National Technical Committee for Standardization on Radio Interference	Member
Industrial Electrical Appliance Branch of the China Electrical Equipment Industry Association	Vice Chairman
KNX Association, USB-IF, Wi-Fi Alliance, WPC (Wireless Power Consortium), CSA (Connectivity Standards Alliance), and Bluetooth Technology Special Interest Group	Special Member

In 2025, Topband participated in the drafting of Commercial Intelligent Stir-frying Machine (GB/T46718-2026), contributing key strength to guiding the standardized development of the industry. During the Reporting Period, the Company promoted the official release of four standards, including two national standards, one industry standard, and one group standard. In terms of standard review and discussion, the Company attended 10 online and offline standard review meetings during the Reporting Period in total, including 3 group standard review meetings and 7 national standard review meetings.



Plaque of National Standard Drafting Unit

Meanwhile, the Company has conducted in-depth technical exchange activities with professor teams from multiple universities in core technology fields such as new energy product and material R&D, and intelligent control of high-power energy equipment, with focus on breakthroughs in key technological bottlenecks and the practical application of scientific research achievements, accurately exploring points of alignment in university-enterprise cooperation.

University-enterprise cooperation projects in 2025

- The joint development achievement in control performance with Jinan University won the IEEE Power Electronics Award at the APEC (Applied Power Electronics Conference) held in the U.S. in March 2026.
- The Company implemented the project "Study on Estimation of SOX for Multi-time-scale Energy Storage on the Grid Generation Side" implemented in cooperation with Harbin Institute of Technology.
- The Company cooperated with Huizhou University in the project "Design of a 12KW Electromagnetic Induction Heating Module".
- The Company cooperated with Hunan University in the entrusted cooperation project "Electric Forklift Motor Controller for Non-road Transport".



In the field of humanoid robot dexterous hands, the Company has established cooperative relationships with many well-known universities in China around technological research progress, application scenarios, and product planning, laying a solid foundation for subsequent university-enterprise cooperation in joint technology development and research achievement transformation, and promoting the innovation and industrialization of dexterous hand technology.

· Important innovation achievements

In 2025, Topband continued to accumulate experience in "four electrics and one network" (battery, power source, electric control, motor, IoT) technology with focus on core fields such as intelligent control technology and energy management, and established a core technology matrix covering motor control, power conversion, energy storage management, AI, etc.

On the product side, the Company accelerated the R&D and iteration of core products such as automotive-grade motors, server power sources, and liquid-cooled control systems, consolidating its technological platform and market competitiveness.

Case

Accelerating the innovation and market application of the Company's automotive-grade motor products

With the rapid development of intelligent driving and the increasing demand, the Company completes the R&D of the new-generation rotating mirror LiDAR motor with excellent market competitiveness in collaboration with customers. On the premise of strictly ensuring high precision, high reliability, and fast response, the Company has effectively reduced the product volume and manufacturing cost through the deep optimization of the structural design, while establishing significant leadership in core technical parameters such as NVH. The Company's first-generation LiDAR motor has been in mass production for two years, with a sales volume of nearly 1 million in 2025. The Company continues to upgrade its second-generation product while developing its third-generation product, actively promoting overall growth and breakthroughs in its automotive business.

Case

Strengthening the intelligent control platform for power supply and innovating server power solutions

The Company is building a unified standardized digital power technology development platform in the field of digital power supply, fully supporting the R&D, innovation and industrialization of medium- to high-power power supply products. The Company conducts systematic research and optimization on digital control for various advanced topologies such as bridge-free PFC, three-phase Vienna PFC, LLC resonance, phase-shifting full bridge, full-wave rectification/bridge rectification, and bidirectional inverters, and develops an intelligent control platform based on high-performance digital signal processors (DSP/high-speed ARM) to deeply master the core of digital control algorithms. This innovative solution enables the development and implementation of next-generation power products with high efficiency, high power density, high reliability, and high intelligence, providing underlying technical support for the Company's business expansion in core fields such as new energy, industrial control, datacenters, and vehicle power sources.

In the field of server power supply, we have launched efficient server power solutions for AI datacenter scenarios based on our profound expertise in digital power control and power electronics topology. The relevant products have a wide voltage input range, an excellent dynamic response capability, and a comprehensive protection mechanism, which can stably support the power supply demand of high-density computing devices such as GPU clusters, and help customers build high-efficiency and highly reliable AI infrastructure.



Case

R&D of intelligent control systems for high-density computing infrastructure liquid-cooled system

Through research on the evolution of AI server power, liquid-cooled product penetration rate, and PUE policy trends, the Company has identified high-precision intelligent control as a key weakness, completed a globally leading manufacturer technology roadmap and patent benchmarking actively, and identified three major fields: model predictive control, AI energy efficiency optimization, and high reliability architectures. The Company has established a three-step path of "dedicated hardware platforms – core control algorithms – reliability verification", and identified the "software-defined control and hardware-realized definitive response" solution. Meanwhile, the Company is building technological barriers in the field of datacenter temperature control to reduce dependence on imports, support the independent controllability and green upgrading of computing infrastructure, achieve key breakthroughs in precision thermal management, and enter the rapidly growing green computing infrastructure market.

On the manufacturing side, the Company promotes the innovation and application of intelligent manufacturing technologies such as AI visual inspection, improving production efficiency and the quality control level.

Case

The transition of quality inspection toward intelligence enabled by AI visual inspection

In order to improve the efficiency of key quality inspections in the manufacturing process, the Company has built a universal inspection technology platform based on AI vision technology, deep learning, and CV algorithms, and completed the integration and debugging of core algorithms, and kept building and enhancing the algorithm library. The first-batch prototypes have been deployed on the production line, and tasks such as the automatic detection of solder joint abnormalities and component abnormalities have been undertaken, achieving the expected recognition accuracy and processing efficiency levels. The platform is able to replicate and promote scenarios such as smart home appliance and power tool assembly lines, new energy complete machines, and component testing lines. This transition toward intelligence will significantly enhance the Company's technological capabilities in the fields of AI vision and industrial intelligent detection, consolidate the Company's intelligent manufacturing capabilities in segments such as electronic assembly, smart home appliances, digital energy, and robotics, and achieve cost reduction and efficiency improvement on the technical level.



2.1.2 Protection of intellectual property rights

With technological innovation being the core driving force, Topband has established a comprehensive intellectual property management system and a patent operation mechanism, effectively promoting the transformation of technological achievements and enhancing product competitiveness, and providing support for business security. The Company has achieved the full-process digital management of intellectual property rights through a patent management platform, covering the whole cycle from application, examination and authorization to maintenance, ensuring process traceability and information transparency. This platform supports efficient collaboration and real-time coordination between companies and external agencies, and facilitates inventors to view progress and handle affairs at any time, significantly improving the efficiency of patent application.

The Company has established a three-level risk control mechanism of "prevention – monitoring – response" for new products to ensure business compliance and safety comprehensively. During the new product approval stage, the Company identifies potential infringement risks through patent searches, and develops avoidance or response plans in collaboration with the R&D team, effectively reducing the risk of patent litigation. Meanwhile, the Company strengthens the special review of intellectual property clauses in contracts to prevent and control related performance risks from the source. In addition, the Company provides training on topics such as preparing patent disclosure documents and avoiding patent infringement risks to business departments, promoting the improvement of employees' intellectual property protection level.

Topband promotes the closed-loop management of patents from layout to profitability closely around the Company's strategies and market demand. The Company continues to improve systems such as the Patent Benefit Management System, and the Patent Rights Maintenance Management System, and carries out patent mining, deployment, and achievement transformation systematically. In 2025, the Company revised the scope of application of the systems, personnel responsibilities, achievements ineligible for patent application, patent grades, patent quality, and patent valuation instructions to establish a more effective intellectual property protection management system.

In the meantime, the Company regularly conducts in-depth analysis of industry trends, pushes industry-related patent information and dynamics to the R&D department, conducts patent technology analysis based on well-defined needs, forms special analysis reports, and provides professional advice for technological innovation. During the Reporting Period, the Company was not involved in any patent infringement lawsuit.

Type	2025			
	Patents invention	for Utility models	Appearance patents	Total
New applications	81	124	50	255
Cumulative patent applications	1,351	1,961	492	3,804
Newly licensed patents	97	108	72	277
Cumulative valid patents	499	1,606	379	2,484
Valid foreign patents in the current year	/	/	/	1
Cumulative foreign valid patents	/	/	/	28



2.1.3 Product quality and safety

Topband continues to improve its quality management system, covering five core dimensions: quality risk control, quality improvement, product safety, product recalls, and quality training. Meanwhile, the Company verifies design, process and device quality based on professional laboratories, ensuring product quality from the source.

· Product quality management

The Company has formulated the Quality Manual to ensure the reliability of design and manufacturing throughout the product lifecycle. In the development stage, the Company comprehensively uses tools such as DFMEA (design failure mode and effects analysis), DFM (design for manufacturability), simulation technology, APQP/IPD (advanced product quality planning/integrated product development), and PPAP (production part approval procedure) in combination with the staged review and experience reuse mechanism to comprehensively identify and control quality risks.

In the manufacturing process, the Company's quality management covers the entire supply chain and production process. The Company selects qualified suppliers through the SQM (Supplier Quality Management) system, and has professional IQC (Incoming Quality Control) teams plan material inspection items in advance with advanced equipment to effectively evade potential risks. In the production process, personnel at many positions such as QE (quality engineer), IPQC (input process quality control), OQC (outgoing quality control) and QA (quality assurance) cooperate to monitor the whole process of manufacturing, including process parameters, process stability and finished product quality.

At the system level, multiple bases of the Company have been certified to multiple core management systems, including ISO 9001, IATF 16949, and QC 080000; besides, Shenzhen Topband and Huizhou Topband have been certified to the ISO 13485 medical device quality management system.

Bases that have been certified to the ISO 9001 quality management system (list)

1	Shenzhen Topband	Certified
2	Huizhou Topband	Certified
3	Ningbo Topband	Certified
4	Nantong Topband	Certified
5	Topband Vietnam	Certified
6	Topband Romania	Certified
7	Topband Mexico	Certified
8	Topband India	Certified



Bases that have been certified to the IATF 16949 management system (list)

1	Shenzhen Topband	Certified
2	Huizhou Topband	Certified
3	Ningbo Topband	Certified
4	Topband Vietnam	Certified

Bases that have been certified to the QC 080000 hazardous substance management system (list)

1	Shenzhen Topband	Certified
2	Huizhou Topband	Certified
3	Topband Vietnam	Certified

In terms of technical support, both Shenzhen Topband and Huizhou Topband have passed CNAS (ISO 17025) certification; the Company will continue to enhance the inspection and testing capabilities of the central laboratory, and improve the coverage of testing projects and the level of technical support.

In terms of products, the Company has passed multiple international certifications, including UL, CCC&CQC, CSA and ETL, and the laboratory team has passed professional certifications for product XRF, GC-MS, ICP, UV spectrophotometers, and IC ion chromatographs.

In terms of environmental control, the Company strictly complies with the RoHS and REACH regulations, and discloses components of its products to customers through the RoHS Declaration Form for Components and Raw Materials; environmental engineers regularly collect annual effective environmental protection reports from suppliers, and the IQC team tests incoming materials with XRF testing equipment to ensure that materials are conforming before they are used for production.

· Quality risk management

To effectively manage quality risks, the Company adopts the LECD evaluation standard to identify environmental factors and hazardous substance risks in design and production, and develops systems such as the Environmental Analysis and Risk and Opportunity Control Procedure, and the FMEA Control Procedure. In the meantime, the Company has established a quality assurance mechanism, standardized the product development process through the APQP Management Procedure, and formulated the Internal Review Management Procedure, and the Management Review Control Procedure for ongoing supervision and review to ensure the effective operation of the quality management system. In addition, according to the provisions of the Quality Manual, the Company continuously tracks the achievement of quality objectives through monthly quality meetings, internal audits, and management audits.



Quality risk control methods

Fully identify product and process design risks using DFMEA and PFMEA; regularly update the risk database.

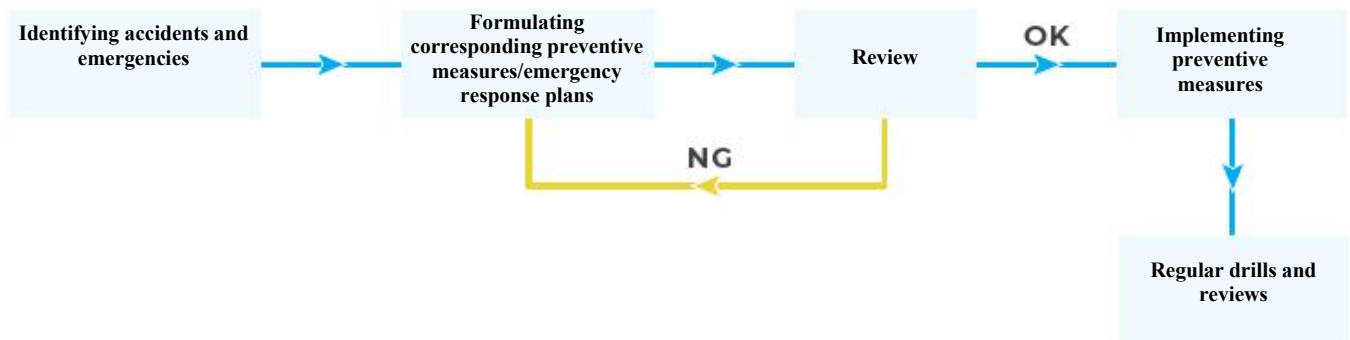
Control quality risks using flowchart, PFMEA, QCP, and SOP.

Update the risk and opportunity assessment and response planning form annually.

Establish the Nonconforming Product Control Procedure, the Emergency Plan for Work Safety Accidents, and Risk and Opportunity Assessment Response Planning Form.

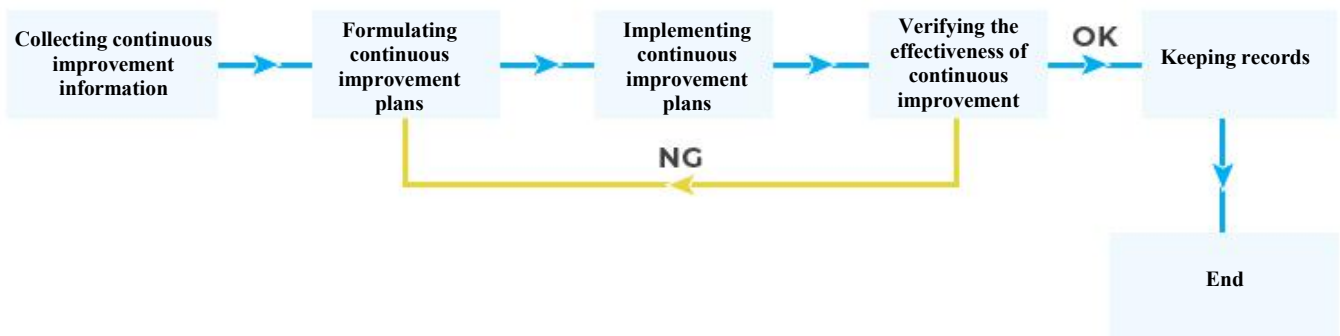
The Company has developed the Emergency Plan Management Procedure, and the Business Continuity Management Procedure to enhance its ability to respond to emergencies and minimize potential losses.

Emergency Management Flowchart



The Company focuses on improving quality and continues to drive improvement through technological innovation. The R&D center and the manufacturing center have established a "Technology Innovation Group" and a "Process Pre Research Group" respectively to jointly explore the forefront of products and processes. Based on business plans and strategic plans (BP&SP), the Company identified 658 improvement opportunities in total through process audits, and promoted closed-loop optimization in accordance with the Continuous Improvement Control Procedure in 2025.

Continuous Improvement Flowchart



· Ensuring product safety

Topband regards product safety as one of its core responsibilities, and integrates user health, environmental protection, and social trust into the entire product process, and builds a comprehensive protection system through system design, dynamic monitoring, and emergency response. To ensure regulatory compliance, the Company has established a dynamic compliance system covering the global market and continuously tracks target market standards. Its products have passed authoritative certifications such as CE and UL.

For the product design and development stage, the Company has established a multi-level reliability assurance mechanism. First, the Company takes high temperature resistant, corrosion resistant and anti-aging materials as the selection standard for key components to ensure the basic stability of products in extreme environments. Second, the Company breaks down complex systems through modular topology architecture design, isolating fault risks structurally and improving maintainability. Finally, for high-load scenarios, the Company innovatively applies multi-layer heat dissipation structures and strictly limits the temperature rise of equipment during long-term operation to a safe threshold.

Before a product is launched, the Company conducts systematic verification through a three-level testing system covering electrical performance, environmental adaptability, and durability. Electrical safety testing checks key indicators such as insulation resistance and withstand voltage strength strictly to ensure compliance with domestic and international standards; environmental adaptability testing simulates extreme conditions such as high and low temperatures, and humidity to verify the scenario stability of the product; long-term reliability testing ensures product safety and reliability of throughout the lifecycle using methods such as full-load aging.

At the operational monitoring level, the Company has integrated an intelligent safety monitoring system for its products, which can monitor key parameters such as voltage, current, and temperature in real time to ensure that operational abnormalities can be quickly identified. The product is provided with multiple built-in hardware protection mechanisms such as overvoltage, overcurrent, short circuit, overheating, and leakage, which can automatically resist common faults. To reduce operational risks, the Company has also reduced user error rates effectively by providing detailed user manuals.

· Product recall mechanism

For potential defective products, the Company has formulated the Product Recall Control Procedure and established a hierarchical recall management system. The system clearly defines two types of recalls: First-level recalls apply to products that violate regulations or may cause serious personal injuries; second-level recalls are used to address non-safety performance defects. When there is a potential quality risk in a delivered product, such as customer complaint verification, internal discovery of any non-conforming batch, or regulatory update, the Company will initiate the recall procedure immediately.

To recall a product, the root cause of the defect shall be analyzed and corrective actions shall be developed, which shall be reported to internal and external stakeholders. All recalled products must be labeled and isolated, and repaired, scrapped or destroyed in accordance with the Nonconforming Product Control Procedure under the supervision of the Quality Department. In addition, the Company will simultaneously screen products of the same type to eliminate potential risks, and continuously optimize the early warning mechanism to ensure safety and controllability during the product lifecycle. In 2025, the Company did not experience any major safety and quality liability accident related to its products.

· Quality culture

The Company implements hierarchical quality training and electronic process monitoring to continuously consolidate the talent foundation and ensure regulatory compliance. The Company holds a quality activity month every year, which strengthens the quality awareness of all employees through case sharing, competitions, and other forms, providing solid support for the high-quality delivery of products. In 2025, the Company achieved 100% full coverage of quality training for employees in all business units.





Quality Month Activity Kick-off Meeting



Case Sharing Activity



Visual Inspection Training

· Product quality objectives

In 2025, each business unit of the Company formulated differentiated product quality objectives around its core business directions. By establishing a key performance indicator system covering market analysis, design and development, product manufacturing, and implementing monthly, quarterly, and annual statistics, the Company achieved effective control over process performance. For nonconforming items, relevant departments promptly carried out tracking analysis and improvement to ensure closed-loop problem solving.

During the Reporting Period, multiple quality objectives were achieved successfully. Among them, the external audit approval rate reached 100%, and there was no major quality accident throughout the year. The Company achieved the expected targets in terms of product pass-through rate, customer complaint rate, customer return rate, external failure cost, and quality accident frequency around the manufacturing process and product shipment process.

2.1.4 High-quality services

Topband has established a customer-oriented full-cycle service management system, which integrates efficient service response, customized technical solutions, and intelligent operation and maintenance tools, deeply participates in the customer value creation process, and consolidates long-term cooperation barriers through professional delivery.

In achieving quality performance goals, in 2025, the Company implemented differentiated and precise targeted management for core quality indicators such as customer complaint frequency, product batch return rate, customer PPM, and OQC sampling defect rate based on the business characteristics of different business units in order to minimize the impact on customers and maximize satisfaction. During the Reporting Period, 100% of the above indicators met the established targets. This achievement not only validates the effectiveness of the Company's quality management system, but also effectively supports the steady implementation of the Company's "customer intimacy" development strategy.

· Service system and transparent communication

Topband regards customer needs as the strategic core of its business and has established a service support system covering the entire process from product design to market withdrawal on this basis. Based on the core technology matrix of the "four electrics and one network" (electric control, motor, battery, power source, and IoT platform), the Company provides deep customized solutions for multiple industries such as tools and home appliances, digital energy, intelligent vehicles, and robots. Through process standardization, team specialization, and service model innovation, the Company is committed to continuously improving customer satisfaction and building long-term stable cooperative relationships. In 2025, the Company further improved its customer service management system by refining its customer service processes.



In terms of product information transparency, the Company is committed to providing customers with comprehensive and clear explanations to assist them in making responsible purchase decisions.

Types of information	Specific measures
Procurement and impact of product materials	<ul style="list-style-type: none"> · A complete machine product comes with an instruction manual that explains the materials of the product. · Product materials are disclosed to customers through the RoHS Declaration Form of Components and Raw Materials.
Safe use of products	<ul style="list-style-type: none"> · Corresponding specifications are formulated for different product types, including storage, transportation and safety requirements.
Impacts during product disposal	<ul style="list-style-type: none"> · Corresponding user manuals are formulated for different product types, including suggestions for product waste disposal.

· Aftersales service management

In terms of service concept and practice, the Company has established a closed-loop management system from acceptance and handling to recurrence prevention with the Customer Complaint Handling Procedure being the core. Routine communication between the Company and customers comprehensively covers routine matters such as products, contracts, and change management, and the closed-loop improvement of problems is promoted based on tools such as the 8D analysis report.

For the key nodes such as customer property management and urgent requirements, the Company has developed standardized operating procedures to ensure transparent services. Complaints are classified into three levels based on severity: ordinary, serious, and extraordinarily serious. The timing commitment of "responding to customers within 4 hours, responding to temporary measures within 1 working day, and responding to improvement reports within 3 working days" is strictly implemented, where accurate countermeasures, complete loss stop and whole-process feedback are ensured.

Types of customer complaints	Deadline for providing emergency measures
General complaints	8H
Serious complaints	4H
Extraordinarily serious complaints	2H



· **Technology-driven service upgrading**

The Company is driving service upgrading with technology, aiming to reduce customer problems from the source. In the field of energy storage lithium batteries, by developing high stability products and combining them with systematic verification such as failure analysis, product reliability is improved comprehensively. In the meantime, the Company regularly conducts customer training to empower them to improve their use efficiency. In terms of service model, the Company creates differentiated advantages through "rapid response, resource customization and technological empowerment".

Differentiated service advantages	Specific scope
Quick response	Dedicated managers are appointed for strategic customers to ensure the seamless coordination of requirements.
Resource customization	By utilizing remote monitoring technology, the real-time tracking and risk prediction of the operating status of energy storage systems can be achieved, transforming passive response into active maintenance
Technology empowerment	The Company breaks standardization boundaries, and provides customers with end-to-end customized solutions from product adaptation to energy management, helping customers achieve cost reduction and efficiency improvement.

· **Customer satisfaction management**

The Company regards customer satisfaction as a key measure of service quality and corporate reputation, and has established a comprehensive monitoring, analysis, and improvement system that runs through the entire business process. On the management execution level, the Company has established a cross-departmental collaboration system: the Strategy Department and the Marketing Center are responsible for coordinating the overall customer satisfaction survey, establishing a scientific evaluation model, and outputting multidimensional quantitative analysis reports; each business unit carries out closed-loop management based on research results, and deeply tracing and root cause analysis for customer feedback on product quality, service experience, and other aspects, accurately identifying business strengths and areas for improvement.

In 2025, the Company collected 406 valid copies of the questionnaire from 186 customers, and the overall customer service satisfaction reached 90% during the Reporting Period. In the future, the Company will continue to use customer core concerns as the anchor point for its strategic development, drive the continuous iteration and optimization of business management through agile insights, and achieve a comprehensive leap in customer service experiences.



Shenzhen Hailei – Electrical Quality Pioneer Award for Huizhou Topband



Product Aftersales Service Conformity Certificate



2.2 Collaborative Supply Chain Ecology

Topband is committed to building a symbiotic and collaborative supply chain ecosystem, with scientific management systems being the cornerstone, focusing on key aspects such as supplier admission, risk assessment, collaborative development, and orderly withdrawal, and establishing a management system covering the entire lifecycle. By promoting value co-creation and risk sharing, the Company continues to enhance the stability and reliability of its supply chain, providing solid support for high-quality business development.

2.2.1 Supplier management system

Topband has established a scientific and standardized supplier management system, and continuously promotes the improvement of the supply chain in terms of environment, society and governance. The Company coordinates functional departments such as strategic procurement, customs logistics, business planning, SQM, and digital risk control with the Integrated Supply Chain Center being its core, achieving cross-departmental and cross-base resource integration and efficient operation. To strengthen business collaboration, the Company has also established a product line business partner (BP) mechanism, which enables it to penetrate into various product line business units (BUs), accurately identify business needs and pain points, and ensure that the supply chain system is both flexible and resilient.

the Company established an SRM supplier management system as the digital core platform for the supply chain in order to standardize supplier management processes and improve supply chain operational efficiency. This system realizes online collaboration throughout the procurement process, supplier lifecycle management, and business finance integration, effectively supporting the Company's efficient procurement and supply chain control in business areas such as intelligent control and new energy. The core functions of the system cover the full-lifecycle information management of supplier admission, registration, filing, assessment, audit, blacklist, as well as key aspects such as order and delivery coordination, and quality abnormality tracking.

Partner type	Collaboration mechanism
Product line BPs	Deeply explore the business environment of each product line, gain insights into business needs and customer pain points, and collaborate with various resources to support business development.
Strategic procurement BPs	Strengthen the collaboration between the Integrated Supply Chain Center and business departments, and establish effective cross-departmental connections and cooperation.
Customs BPs	Coordinate changes in customs policies and response methods with business departments in real time to ensure normal and healthy business operations.

2.2.2 Supplier admission

In the supplier admission process, the Company has established a strict screening and grading mechanism based on the Supplier Management Control Procedure. The Company's Procurement Department implements differentiated qualification evaluation based on supplier categories, and divides suppliers into the four levels of A, B, C and D based on quality system scores. Qualified suppliers will be included in the list of compliant suppliers. In 2025, the Company further strengthened the evaluation requirements for agents by introducing the agent self-evaluation form.



For potential suppliers, the Company requires them to complete the signing of core documents including the Quality Assurance Agreement, Anti-commercial Bribery Agreement, Stakeholder Environmental and Occupational Health and Safety Agreement, Counter Terrorism Safety Agreement, and Environmental Compliance Assurance Agreement in order to establish joint responsibilities for quality, delivery, business ethics, environmental protection, and social responsibility from the beginning of cooperation. In 2025, 100% of the Company's official suppliers signed the Stakeholder Environmental and Occupational Health and Safety Agreement, and the ETI Basic Guidelines.

Key issues	Specific measures
Green procurement	<ul style="list-style-type: none"> · In the coding and project approval process, the Company organizes environmental protection specialists to review environmental protection information provided by suppliers, ensuring the environmental compliance of materials from the source. · The Company sets environmental and social responsibility as a key audit module, and any supplier with a scoring rate of less than 80% will enter the rectification process directly; if the score is still lower than the standard after rectification, it will not be introduced by the Company.
Labor rights	<ul style="list-style-type: none"> · The Company undertakes to comply with international labor standards such as the prohibition of child labor, fair remuneration, reasonable working hours, and occupational health and safety. · Before an external supplier enters the Company's factory area to carry out operations, it must first pass qualification review by the Administration Department and complete exclusive environmental, health, and safety (EHS) training before admission to the site for operations. The training covers core points such as occupational health and safety precautions, requirements of dangerous operation standards, and guidelines for the safe use of equipment and facilities. · During the Reporting Period, the Company conducted safety training for 300 person-times from external suppliers, with 7 training sessions per month on average.
Conflict minerals	<ul style="list-style-type: none"> · The Company has formulated the Supplier Code of Conduct, which explicitly prohibits the use of conflict minerals, and supervises its implementation through regular and surprise inspections. · The Company requires upstream suppliers to sign a commitment letter on not using conflict minerals to avoid ethical and environmental risks in the supply chain, and respond to international social responsibility standards with practical actions.

Indicator	Unit	2025
Total number of suppliers (at the end of the Reporting Period)	Nr.	1,731
Number of suppliers in the Chinese mainland (at the end of the Reporting Period)	Nr.	1,532
Number of suppliers in Hong Kong, Macao and overseas regions (at the end of the Reporting Period)	Nr.	199
Total number of new suppliers	Nr.	77



2.2.3 Supplier evaluation and withdrawal

In face of cost and delivery risks that may be caused by market fluctuations, policy adjustments and emergencies, the Company has established the abnormal material cost fluctuation risk response mechanism. This mechanism standardizes the entire process from risk early warning and decision-making response to execution review in order to integrate the Company's resources for collaborative response, and minimize potential losses.

To continuously improve supplier capabilities, the Company has established a dynamic evaluation system. Each business unit regularly quantifies suppliers in multiple dimensions such as quality, delivery and service in accordance with the Guidelines for Monthly Supplier Performance Assessment Scoring. Evaluation results are provided to the management in real time through the data platform. The Company categorizes suppliers into the four levels of A, B, C and D according to monthly performance evaluation results. Suppliers with excellent ratings will retain their strategic supplier qualifications and be given priority in invitation to the annual bidding process; for suppliers rated as Level C or D consecutively, the Company will take control measures to reduce their procurement shares and lower their project preference levels.

Meanwhile, the Company organizes an on-spot audit of qualified suppliers across departments and teams on a yearly basis, and the audit is led by a supplier quality engineer (SQE) to check their management system, technology level and social responsibility practice together with procurement, engineering and other professionals to promote the systematic upgrading of suppliers. In addition, the Company strictly implements supplier performance replacement management in accordance with the Supplier Management Control Procedure, and the Scoring Guidelines for Supplier Monthly Performance Evaluation to ensure that the supply chain system remains competitive and vigorous.

Indicator	Unit	2025
Number of manufacturers that have conducted EIA	Nr.	110
Number of manufacturers that have conducted SIA	Nr.	110
Percentage of official manufacturers passing ISO 9001 certification	%	100

2.2.4 Supplier collaboration and growth

Topband is committed to establishing long-term partnerships with suppliers through equal cooperation. The rights and obligations of both parties are clearly defined in the Supply Support Agreement. While requiring suppliers to strictly perform the agreement, the Company commits to pay for goods in time as agreed, and actively negotiate solutions for overstocked products of suppliers for reasons attributed to it to practice fair and responsible procurement. Meanwhile, the Company launched the lower-tier supplier sustainable development performance (SSP) improvement project together with core customers in 2025 to enhance suppliers' innovation capabilities in respect of products, systems and services. During the Reporting Period, the Company achieved the annual target of a 100% signing rate of the Supply Support Agreement for newly introduced target suppliers.

In addition, the Company implemented the Procurement Data Confidentiality Management Standard to protect the security of suppliers' procurement data. To improve the transparency of the supply chain, the Company further promoted the information disclosure and credibility improvement of suppliers in ESG areas such as environmental protection and labor through contract constraints, regular disclosure, and third-party audits.



2.3 Employee Rights Protection

Employees are the most valuable asset and development cornerstone for the Company. Topband adheres to the principle of putting people first. On the basis of effectively protecting the lawful rights and interests of employees and building a diverse and equal workplace environment, it continues to increase investment in talent development. Through systematic training and career planning, it empowers the growth of every employee and is committed to achieving the harmonious unity of personal value and organizational development.

2.3.1 Employment, rights and interests of employees

Topband adheres to the principle of lawful and compliant employment, improves the remuneration policy system, and ensures the fair employment and labor remuneration rights of employees effectively.

· Compliant employment

Topband strictly adheres to all applicable domestic and overseas labor laws and regulations, such as the Labor Law of the People's Republic of China, and the Labor Contract Law of the People's Republic of China, in its employment management, ensuring comprehensive compliance in all practices.

The Company explicitly prohibits and resolutely eliminates any form of forced labor, child labor, abuse, and harassment, and is committed to maintaining a fair working environment that respects human rights. The Company has specifically formulated documents such as the Employee Recruitment Management System, the Forced Labor Management Procedure, the Child Labor Prohibition Procedure, the Child Labor Relief Procedure, and the Abuse and Harassment Prohibition and Control Procedure to prevent and control relevant risks and provide remedial paths for potential incidents.

In order to avoid any mistaken employment of child labor from the source, the Company applies strict recruitment management measures to identify ages of candidates by effective ways such as face recognition and identity card information matching, and ensure that ages of all new employees are true and lawful. In the meantime, the Company has established reporting channels including audit complaints and the employee experience platform to ensure the timely handling of violations. In 2025, the Company further strengthened human rights training for all employees, and communicated its policies and regulations on labor rights, anti-discrimination, etc. to all employees, including all newly hired employees, to ensure that they complied with relevant regulations in their work.

The Company attaches great importance to the balanced distribution of talents in different regions, and the proportion of employees in Guangdong Province reached 30% in 2025, providing a solid talent base for future regional development of the Company. The Company not only fully implements employee rights protection for regular positions, but also absorbs employment and expands flexible employment channels. During the Reporting Period, the Company successfully rehired 20 retirees through the introduction of flexible employment policies such as reemployment of retirees, demonstrating its emphasis on the rights and interests of flexible employees through practical actions.



"Star Employer of the Year" Award at OfferShow 2025



Indicator	Unit	2025
Total number of employees	Person	13,208
Number of employees by gender - Male	Person	7,616
Number of employees by gender - Female	Person	5,592
Percentage of male employees	%	57.66
Percentage of female employees	%	42.34

· Remuneration policy

In 2025, Topband continuously optimized the salary management system, formulated and implemented the employee salary management system, implemented differentiated salary band division for positions based on value assessment, built a salary grade development channel directly linked to job qualifications, and formed a dynamic salary mechanism of "different salaries for the same position, and changes in salary with changes in position". For salary determination, the method of a combination of performance and qualification certification was adopted, a gradual salary adjustment strategy of "small steps and fast progress" was implemented, and on the premise of ensuring reasonable control over the total salary, department managers and the Human Resources Department jointly determined the salary adjustment plan.

For overseas employees, the Company has revised the salary, welfare and holiday management measures, further refined the principles, time and process for the payment of overseas allowances, improved the home leave policy, and clarified the attendance management standards to protect the rights and interests of overseas employees. In addition, the Company strictly fulfills its responsibilities of paying employees' salaries and social security, ensuring that all employees enjoy social insurance protection and building a solid welfare foundation for employees.

In terms of salary fairness and performance management, the Company has established an internal salary benchmarking system, which compares industry salary levels through external salary reports and combines internal salary data analysis to provide an objective basis for annual salary adjustment, ensuring that salary levels are fair internally while being competitive in the market. The performance management system focused on organizational strategic goals, emphasized team collaboration and personal development, and ensured that individual performance is consistent with the Company's overall goals.

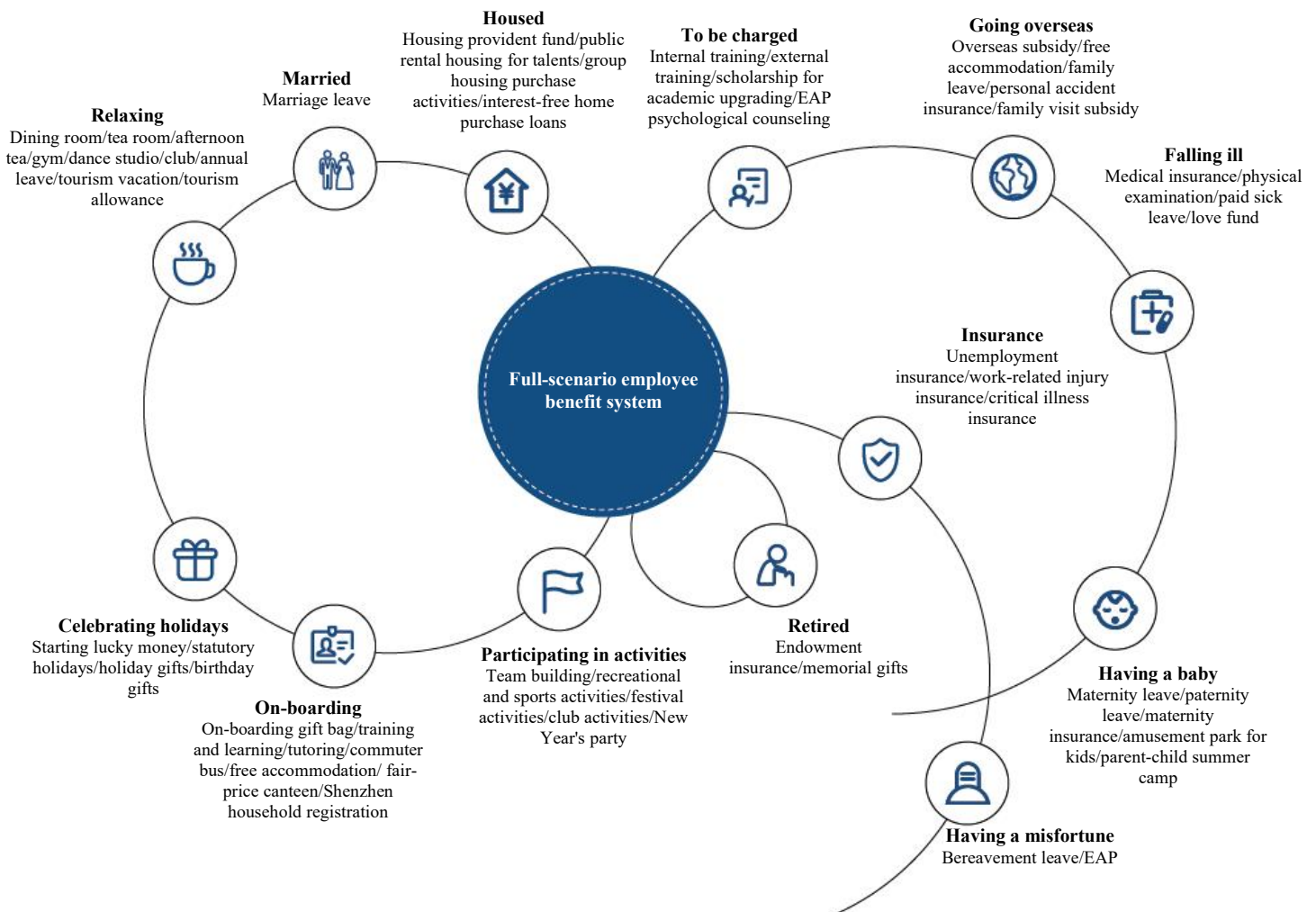
Indicator	Unit	2025
Average pay gap between male and female employees (Percentage of average total hourly pay of female employees in % average total hourly pay of male employees)		80.23



· Employee care and communication

Topband is committed to building a multi-level and normalized employee communication system, and continuously listens to employee voices and respond to their concerns by combining online platforms with offline mechanisms. The Company builds an online employee experience platform. In 2025, it collected 300 effective suggestions to promote improvement and implementation; besides, a new T community communication platform went live, open to all domestic employees, with functions such as work exchange, experience sharing, and anonymous posting. In the future, it will gradually cover the overseas bases, further promoting organizational communication and cultural integration. Offline, the Company held employee communication meetings monthly, organized 4 centralized meetings throughout the year to promote the resolution of 39 rights issues of concern to employees, and conducted an annual special cultural atmosphere survey. In addition, the Company has established trade unions in Shenzhen and Huizhou, and would communicate and negotiate with the trade unions before making major decisions that involve the immediate interests of employees. Through the collaborative operation of multiple channels, the Company continues to enhance understanding and trust between the organization and employees.

Topband has developed five plans, namely the Topband Ease Plan, Topband Development Plan, Topband Happiness Plan, Topband Love Plan and Topband Housing Plan, to show solicitude for employees in all aspects of physical and mental growth. The welfare system covers all scenarios to reduce worries of employees.



"Topband" Ease Plan

- Social insurance and housing fund: endowment insurance, medical insurance, maternity insurance, employment injury insurance, unemployment insurance, and housing fund.
- Statutory holidays: annual leave, marriage leave, maternity leave/paternity leave, sick leave, funeral leave, etc.
- Supplementary leave: paid travel leave.
- Daily welfare: free shuttle, free dormitory, cheap canteen, welfare shop, afternoon tea, birthday cards and holiday gifts.
- Overseas benefits: overseas subsidies, home leave, personal accident insurance and family visit subsidies.

"Topband" Happiness Plan

- Interest associations: At present, all bases have more than 30 interest associations. Rich activities can be implemented for relaxation.
- Employee activities: Monthly organize colorful cultural activities, including fun sports game, fitness and weight loss activities, skill competition, sports carnival, summer parent-child summer camp, singing contest, e-sports competition, engineer's day, New Year party, etc.
- Festival activities: including guessing lantern riddles at the Lantern Festival, making Zongzi at the Dragon Boat Festival, garden party at the Mid-Autumn Festival, annual meeting at the Spring Festival, etc.
- Annual tourism/group construction: Tourism funds and group construction funds are provided.
- Recreational facilities: Free gym, dance room and children's amusement park are provided for employees, and activity venues such as basketball court, badminton court, ping pong room and billiard room are available.

"Topband" Housing Plan

- Public rental housing for talents: The Company can provide government-subsidized rental housing for talents in Shenzhen for employees.
- Household registration transfer: The Shenzhen Headquarter can provide household registration transfer and registration services for eligible employees.

"Topband" Growth Plan

- Internal cultivation: Different cultivation programs and management modules are set up for different stages of career, including new employee management (new recruits from school and society), professional skill training (R&D, sales, supply chain...), management of leaders of different levels.
- External learning: For those in need of external training, all or part of the training expenses can be reimbursed.
- Scholarship for education promotion: Encourage internal personnel in continuous education promotion, and give scholarships to those realize education promotion.
- Internal teaching reward: Build a complete internal training course system and an excellent lecturer team, and give corresponding rewards to lecturers engaged in development and teaching of courses.
- Talent recommendation reward: Encourage on-the-job employees and external personnel to introduce all kinds of talents to the Company, and reward them upon recommendation.

"Topband" Love Plan

- Periodic physical examination: Annually organize all employees to take physical examination, to help employees to better manage their physical health.
- Psychological care for EAP employees: Full-time psychological counselors are assigned, to provide free psychological counseling services for formal employees and their immediate family (parents, children and spouses), thus promoting physical and psychological health and improve happiness. In 2025, the EAP Center received a total of 417 employees and 469 immediate family members (parents, children and spouses) of employees for psychological counseling, with a total counseling time of 559 hours. In addition, 87 psychological training sessions were organized for 2,323 employees to effectively implement the Company's care for employees and reduce their psychological risks.
- Employee experience care: An employee experience platform is set up, so that employees can put forward suggestions and ideas, and explore new demand for software and hardware improvement.
- Love fund: When employees or their immediate family members encounter serious diseases, accidents, emergencies, etc., they can apply for the Company's love fund, to help over the difficulties. In 2025, the Company appropriated RMB 620,000 to the Love Fund in total, accounting for 56.14% of the annual income of the Love Fund.
- Family support: A 1-hour breastfeeding leave is offered per day; mother and baby rooms are set up in the Shenzhen and Huizhou industrial parks; employees are allowed to bring their children to the workplace.



Case Mental Health Month delivered care for employees' mental health

On World Mental Health Day in October 2025, the Company carried out a series of online and offline activities with the theme of "Caring for the Heart" at EAP Heart Station, including Mental Popular Science Corridor, Mandala Painting Emotion Management Workshop, mental health knowledge Q&A, lucky daily check-in, and cultural group theme activities, to popularize mental health knowledge, and help employees relieve emotions and release stress. The activities attracted nearly 1,000 employees, effectively conveying humanistic care, and creating a positive and warm workplace atmosphere that cares for employees' mental health.

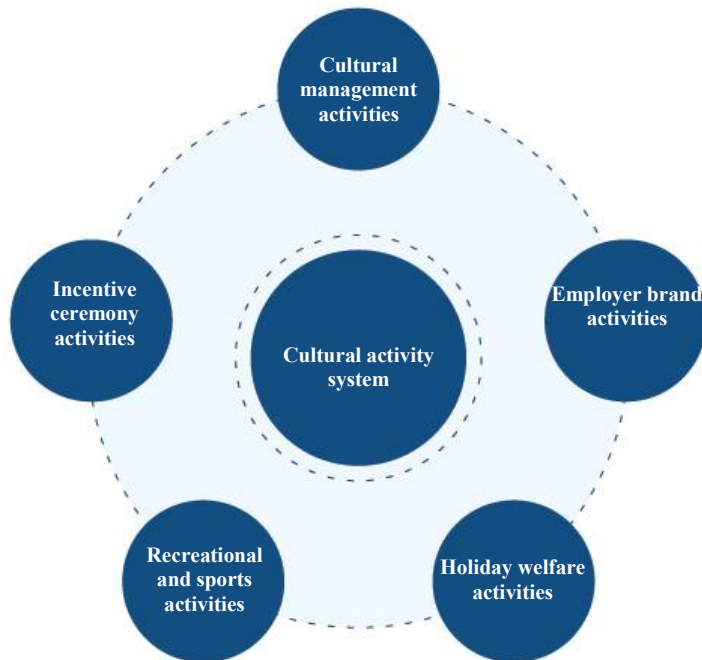


"Caring for the Heart" Mental Popular Science Corridor



Mandala "Healing by Painting" Emotion Management Workshop

Topband is committed to building a respectful, inclusive working environment with a sense of belonging, and takes enhancing employee happiness as one of its core goals. The Company continues to promote the building of corporate culture in various domestic bases, and actively carries out cross-cultural integration of overseas teams. In order to enrich the leisure life of employees, the Company has established 30 clubs internally, covering multiple fields such as outdoor sports, ball games, board games, and language learning. In 2025, the Company carried out 60 large-scale cultural and sports activities, and over 1,000 small-scale activities in various parks and bases in total, effectively creating an inclusive and upward organizational atmosphere, enhancing employee cohesion, and promoting the integration and unity of domestic and overseas cultures.





Music Festival



**Traditional Chinese Medicine
Light Healthcare Program**



Lantern Festival Activity

Case 2025 Topband Sports Carnival enhanced team cohesion

During August-October 2025, the Company held the 2025 Topband Sports Carnival. The carnival attracted 300 employees to participate in various sports activities such as basketball, football, table tennis, badminton, and outdoor yoga. The event provided a platform for employees to show their talents and enhance communication, effectively promoting cross-departmental collaboration and team cohesion. The fighting spirit and love for sports demonstrated by employees both inside and outside the arena vividly illustrated Topband's positive corporate culture.



Badminton Game



Football Match



Table Tennis Game



2.3.2 Diversity and equal opportunities

Topband adheres to the core principle of diversity, equality and fair opportunities, and fully integrates it into all aspects of talent management. The Company has clearly stipulated through the Employee Recruitment Management System that in all personnel practices such as recruitment, employment, and salary promotion, no form of discrimination shall be made against employees or potential applicants based on race, skin color, age, gender, sexual orientation, gender identity and performance, ethnic group, disability, pregnancy, religious belief, political affiliation, club membership, military service status, protected genetic information, or marital status. In 2025, the Company recruited and employed 15 disabled employees.

In the meantime, the Company values the growth and well-being of female employees. By regularly organizing Women's Day activities and a series of special care, the Company is committed to creating a more supportive growth environment for female employees.

In 2025, the Company conducted a cultural consistency survey on the domestic bases and a cultural integration survey on the overseas bases. The survey results show that the cultural consistency score of the domestic bases is 90.2%, the cultural integration score of the overseas bases is 80.65%, and the overall employee participation rate exceeds 30%.



Topband Women's Day Activity – Huizhou Topband



Topband Women's Day Activity – Topband Vietnam



"Timeless Sound"
Topband 2025 Mother's Day Activity – Shenzhen Topband



"Timeless Sound"
Topband 2025 Mother's Day Activity – Topband Mexico

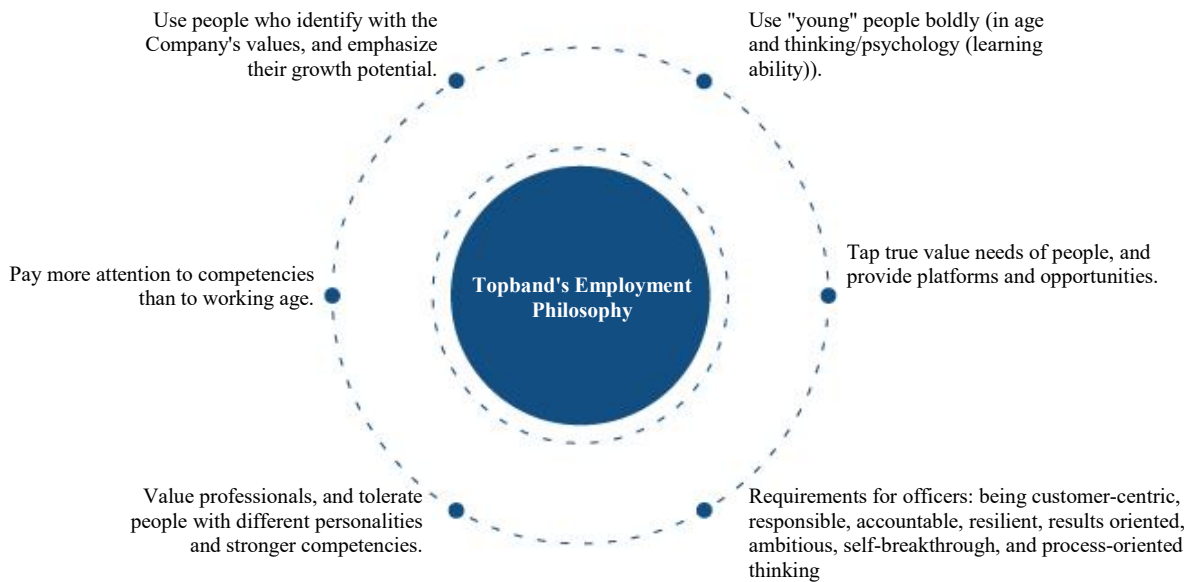


2.3.3 Employee training and development

Topband adheres to the human resource management philosophy of "making individuals vigorous and organizations always healthy", and achieves value co-creation and sharing between the Company and employees by paying attention to employee demands, providing development platforms, and stimulating internal drive. In terms of talent appointment, the Company follows the principles of "respect, tolerance, openness, equality, competition, and prioritization of the best", emphasizes identifying individual growth potential, and deeply explores true value needs of employees.

Topband's Human Resource Management Philosophy

Give opportunities to employees	Qualification and performance management promotion	Value co-creating and value sharing
Give priority to new growth opportunities arising from internal promotions and organizational changes;	Lead competency improvement through qualifications, and promote goal achievement through performance evaluation;	Achieve a win-win situation for both the Company and individuals.



· Career development system

Topband has established systems such as the Qualification Management System, and the Management Measures for the Position, Professional Title and Competency Level System, which provide clear career development paths for employees to stimulate their enthusiasm and creativity. In the meantime, the Company has systematically optimized the talent selection, reservation and incentive system through the Topband Officer Management System, the Grassroots Line Leader Training System and Plan, and the Innovation Incentive System. On this basis, the Company continues to ensure the stability and continuity of its talent echelon, and strives to shape an officer team with a reasonable structure and matching competencies in order to provide solid talent support.

The Company's career development mechanism is centered around talent introduction and development, aiming to building an open, dynamic and sustainable talent ecosystem.



Talent Introduction

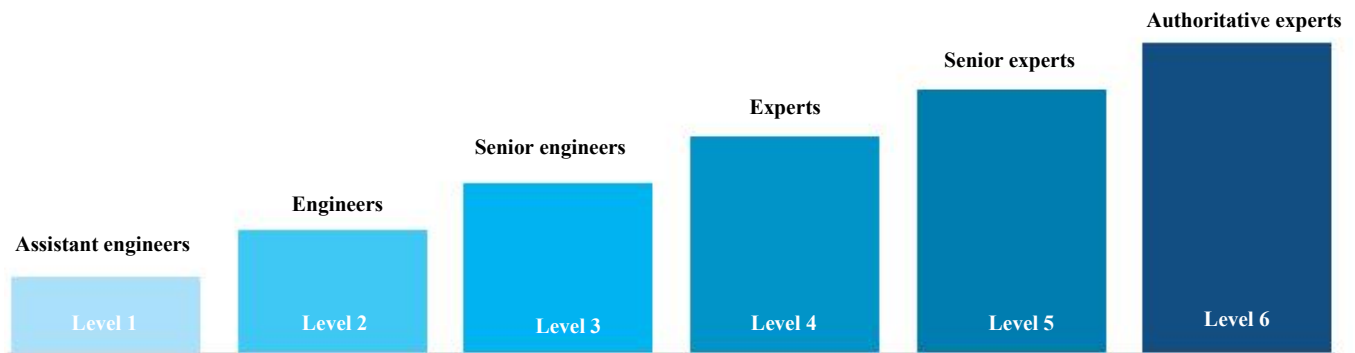
"532" talent introduction strategy 50% from excellent fresh graduates, 30% through internal promotion, and 20% from social recruitment	Using high-quality fresh graduates Consolidating the talent foundation	Recruiting industry experts Building talent competitiveness in multiple dimensions	Combining external recruitment and internal training Reserving a talent team with international competencies in advance
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Talent Development

361 talent structure strategy Continuously promoting team building and optimize internal talent distribution.	"1:1" officer succession strategy Encouraging the mobility of officers, and providing data support for their promotion and training based on a comprehensive evaluation of their qualities, competencies and potential.	Establishing a reserve officer talent pool for key positions Strengthening the reserve for core management positions through hierarchical and field-based reservation
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In terms of setting up the employee position system, the Company has established two major sequences – professionals and officers. In 2025, the Company improved the qualification standards for all professional and officer positions, and optimized the qualification certification process. The professional sequence is divided into six job groups based on functions: technology, marketing, function, supply chain, manufacturing, and quality. Among them, each group is divided into four levels: A, B, C and D, and each officer group is divided into 12 officer levels, providing employees with a clear career development ladder.

Professional Sequence



Management Sequence



The Company has designed career development channels for employees on various positions in the qualification system and defined competency standards for each level. Employees can actively apply for job qualification certification at any time based on sound systems and processes to assess their professional level, and use learning resources provided by the Company to continuously improve their professional competencies by reference to knowledge and skill requirements required for positions.

Meanwhile, according to the new provisions in 2025, the Company will implement a gradual delayed retirement system for employees who have reached the statutory retirement age. One month before an employee's retirement, the social security specialist will provide a list, send the retirement notice to the employee, and coordinate with the department head to handle the resignation and social security contribution suspension procedures.

For some core backbone and expert personnel, the Company may rehire them. In case of rehiring, a one-year agreement shall be signed, which shall not exceed 3 years in principle (5 years for M5 senior executives), and the salary shall be based on the actual salary level before retirement. The specific length of rehiring depends on the level: up to 1 year for M3 (supervisors/managers), up to 3 years for M4 (directors/BU heads, etc.), and up to 5 years for M5 (senior executives). The rehiring period for personnel dispatched to difficult areas may be relaxed at discretion.

· Employee training

Topband has built a multidimensional training system covering management training, professional development, skill expansion, and external learning, guided by the qualification system, aiming to empower employees' growth and provide comprehensive support. The Company has formulated documents such as the External Training Management System, the Management Measures for Internal Part-time Trainers, and the Mentor Management System to meet full-process needs from new employee onboarding and in-service employee skill enhancement to career development. In the meantime, the Company has formulated the Policy on Encouraging the Improvement of English Proficiency to strengthen its international talent reserve.

In 2025, the Company updated the External Training Management System, mainly standardizing the application process, payment time, and amount restrictions of academic education scholarships, as well as the application process and expense reimbursement rules for external open courses, certification training, etc. This update aims to optimize management processes, enhance employees' professional competencies, and provide the Company with more professional talents. The core revisions include: reiterating and optimizing the quota standards for visa-free agreements under "training expenses", the application conditions for scholarships, and relevant process instructions.

In addition, based on the two major career development sequences, the Company has developed differentiated training programs.

Training type	Training progress in 2025
Training for professional positions	<ul style="list-style-type: none"> · Special training: covering sales managers, product managers, system engineers, quality manufacturing engineers, ME engineers, IE engineers, PE engineers, and other R&D engineer positions, covering about 2,000+ person-times, 110+ courses, and 250+ class-hours. · Department internal training: 1,365 sessions, 600+ courses, and 3,000+ class-hours · Employee training: about 16h/person, including new employee training, pre-job training, on-the-job training, job transfer training, and special job skills training courses · Other external training: The Company provides external training opportunities, and employees can apply independently according to the system.
Training for management positions	<ul style="list-style-type: none"> · 10 management training sessions were conducted (including team leader training), including 3 in Shenzhen, 3 in Nantong, two in Huizhou, one in Ningbo, and one in Vietnam.



Besides, the Company also carried out training programs for officers, vocational development and training for fresh graduates, non-skill training, learning platform operations, etc.

Training type	2025 targets and progress
Officer training	<ul style="list-style-type: none"> · Online and offline core management courses, multiple team co-creation tasks, management book reading activities, regular mentor guidance, and specialized communication training are conducted. · Innovative forms such as world coffee, roundtable talk, management concept debate, three-minute pre-class speech, mini-course PK, and "Two Apples" sharing are applied.
Career development, and training for fresh graduates	<ul style="list-style-type: none"> · A young goose training camp is conducted for fresh graduates every year, with courses designed in the two modules of general education and workplace education. · During the probation period, a dual-mode training program of mentorship and practice is provided, and overall training results are outputted in the form of defense and debriefing. · A one-year protection and challenge period is available to newcomers. · Care for fresh graduates is set regularly, and anniversary gifts and related activities are provided.
Non-skill training	<ul style="list-style-type: none"> · Training on safety, corporate culture publicity, and mental health counseling are offered. · An integrated training model of online learning and offline training is adopted, including flipped classroom, offline battle, and other forms.
Learning platform	<ul style="list-style-type: none"> · An online learning platform is offered, and corresponding learning map courses for key positions are configured along with offline training materials, etc. · The learning platform covered 2,207 people, and had an activity level of 46%.
Global special training	<ul style="list-style-type: none"> · Language training: The Company conducted 6-month training covering areas such as R&D, manufacturing, quality, and functions through external agencies; 87 people participated in total, and their English proficiency improved by 2.45 levels on average. · Skills training for overseas personnel: One session of Wire Knowledge and Cost Decomposition training was offered, with one class-hour; 7 courses were offered, including MSA System Measurement and Analysis, Seven IE Techniques, and Fundamentals of Static Electricity, totaling 11 class-hours; special training was conducted for key personnel.



Case Chinese and Mexican language course opened to improve cross-cultural communication skills

In 2025, the Mexican base launched a Chinese-Mexican language exchange course. On January 9, the Chinese introductory course was opened to Mexican colleagues to teach basic Chinese expressions, with 3 sessions in total; on January 14, the Basic Spanish course was opened to Chinese colleagues, also with 3 sessions. The course focused on basic practical content, aiming to strengthen language exchanges and understanding, and improve work communication efficiency between Chinese and Mexican employees.



Indicator	Unit	2025
Total number of employees in all regions who have received job related training	Person	13,208
Percentage of number of employees in all regions who have received job related training in total number of employees	%	100
Percentage of employees who have accepted diversity, discrimination or harassment training in all employees in all regions	%	100
Number of new recruits attending the induction training	Person	8,949
Employee training person-times (staff + employees)	Person-time	20,000+
Amount allocated for employee training (staff + employees)	RMB	Approx. million
Total hours of employee training (staff + employees)	h	Approx. 170,000
Average hours of employee training (staff + employees)	h/employee	12.62



2.4 Care for Health and Safety

Topband has established a comprehensive health and safety management system that protects the physical and mental health of employees and occupational safety comprehensively through standardized control, diverse protective measures, and normalized training.

2.4.1 Occupational health and safety management

Topband always places employee health and safety at an important position of sustainable development, and has established a comprehensive health and safety management pattern covering system building, closed-loop control, special protection, all-staff support, and external collaboration. It strictly implements various control measures and annual goals, and steadily strengthens the defense line of physical and mental health, and workplace safety for employees.

· Occupational health and safety management system

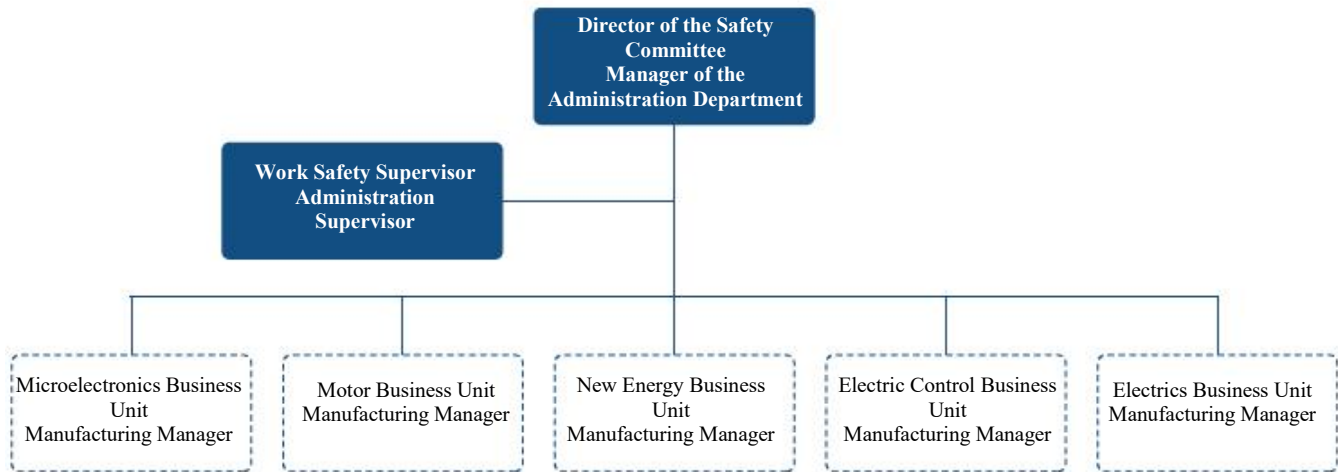
Topband has always regarded employee health and safety as the core foundation for promoting sustainable development. With a systematic management model, and comprehensive prevention and control measures, it strives to create a safe and healthy working atmosphere.

The Company has established a mature occupational health and safety management system, and introduced key rules and regulations such as the Work Safety Management System, the Work Safety Responsibility System, and the Potential Risk Screening Management System. The management scope covers the entire process of risk prevention, responsibility implementation, and labor protection, ensuring that all safety management work can be carried out in a standardized manner. In 2025, the Company updated the Stakeholder Safety Management Regulations, and formulated normative documents such as the Safety Risk Identification and Control System, the Internal Reporting and Reward System for Potential Work Safety Accidents, the Safety Cost Management System, and the Pipeline Safety Inspection System to provide stronger support for workplace safety.

The Work Safety Management Committee (hereinafter referred to as the "Safety Committee") of the Company is the highest decision-making and executing body for corporate safety management, responsible for coordinating all aspects of the Company's work safety tasks. The Safety Committee is headed by the manager in charge of safety affairs of the Administration Department, and composed of heads of business units. Regular work meetings are held every quarter, covering the review and implementation of work safety regulations, the verification of annual safety goals, and reward and punishment mechanisms, the supervision of the operation of the safety standardization management system, and the investigation and rectification of safety accidents. In addition, the Safety Committee implements a quarterly inspection and assessment system to supervise the implementation of safety management responsibilities by various departments, achieve the level-by-level breakdown of safety management goals, and ensure full employee coverage, so that safety management can penetrate into every position and every employee.



Organizational Structure of the Topband Work Safety Management Committee



Topband sets strict goals in occupational health and safety, implements laws, regulations and rules on work safety conscientiously, and optimizes internal management to ensure the health of employees. In 2025, the Company achieved the following occupational safety and health targets.

Occupational Safety and Health Targets in 2025		
Indicator	Unit	Target value
Safety accident targets		
Acute poisoning accidents	Nr.	0
Fire and explosion accidents	Nr.	0
Occupational disease prevention and control targets		
Occupational disease accidents	Nr.	0
Occupational hazard conformity rate	%	100
Annual occupational disease incidence	%	0
Declaration rate of occupational hazards	%	100
Integrity rate of occupational hazard management archives	%	100
Safety training targets		
Achievement rate of safety education for new employees	%	100



The Company conducts multiple internal and external audits annually, covering certification requirements such as the ISO 45001 occupational health management system, BSC (Business Social Compliance), and SMETA (SEDEX Member Ethical Trade Audit) to ensure the effective operation of the occupational health and safety management system. In addition, the Company conducts RBA (Responsible Business Alliance) certification every two years, and obtained a silver rating in 2025. Multiple bases of the Company have passed audit certification to the ISO 45001 occupational health and safety management system.

Bases that have passed ISO 45001 occupational health and safety management system certification (list)		
1	Shenzhen Topband	Certified
2	Huizhou Topband	Certified
3	Ningbo Topband	Certified
4	Nantong Topband	Certified
5	Topband Vietnam	Certified
6	Topband Romania	Certified
7	Topband Mexico	Certified
8	Topband India	Certified



RBA Silver Certification

· Occupational health and safety risk management

In face of various occupational health risks, Topband implements a full-process and closed-loop control model, and ensures that routines risks are controllable through four steps: risk identification, risk assessment, risk control, and monitoring and improvement.



Five Common Risks



On this basis, the Company regularly carries out risk identification and assessment in the workplace, handles identified risks by level and category, formulates corresponding control measures and requirements, and sets deadlines for rectification. When there is any change in business activities, the Company fully evaluates potential risks of its process, material, location, and equipment, develops a safety operating procedure, and provides pre-job operating procedure training for operators. Through these management procedures, the Company effectively manages employee health and safety risks, and ensures a safe and healthy working environment.

Occupational Health and Safety Risk Management Mechanism		
Management procedure	Key points	Description
Risk identification	<ul style="list-style-type: none"> · Workplace inspection · Employee feedback · Data analysis · Third-party testing 	<ul style="list-style-type: none"> · Regularly inspect the working environment to identify potential hazards. · Collect employees' opinions on health and safety issues through surveys or meetings. · Analyze accident and disease records to identify common risks. · Hire a third party to conduct safety site inspections and audits.
Risk assessment	<ul style="list-style-type: none"> · Risk analysis · Priority sorting 	<ul style="list-style-type: none"> · Assess the likelihood and severity of identified risks. · Determine the priority order of handling based on risk levels.
Risk control	<ul style="list-style-type: none"> · Engineering control · Administrative control · Personal protection 	<ul style="list-style-type: none"> · Reduce risks through equipment improvement or process optimization. · Adjust work arrangements or strengthen training to reduce risks. · Provide necessary protective equipment such as face masks and helmets.
Monitoring and improvement	<ul style="list-style-type: none"> · Ongoing monitoring · Accident investigation · Effect evaluation 	<ul style="list-style-type: none"> · Regularly inspect the working environment to ensure that control measures are effective. · In case of an accident, promptly investigate it and take improvement measures. · Regularly evaluate the effectiveness of health and safety management, and optimize it continuously.



· **Protective measures for occupational health and safety**

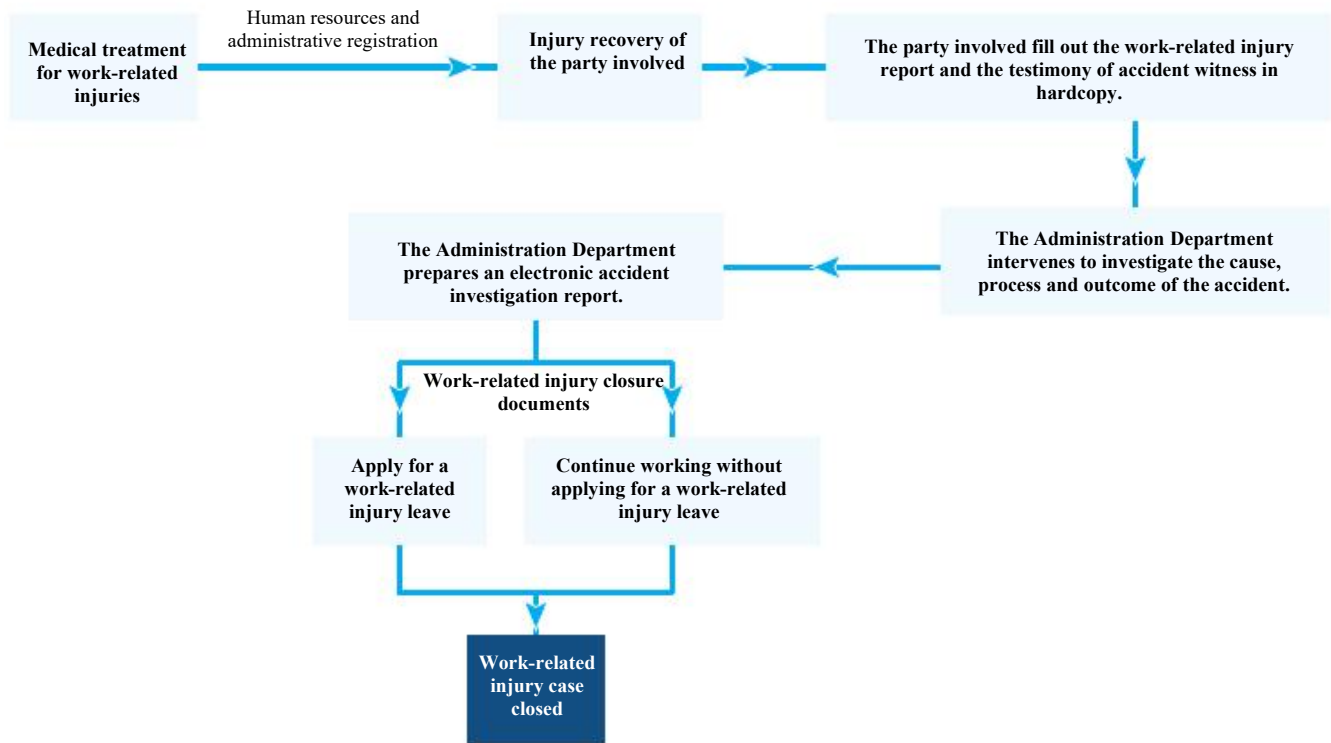
Topband has established a health and safety barrier in multiple dimensions. For specific risks, the Company takes various measures to protect the health and safety of employees, and maximizes the protection of employees and related personnel in high-risk environments. The Company has released the Health and Safety Code in both Chinese and English, which is communicated through safety dashboards and other forms to ensure that employees fully understand the relevant requirements. The Company actively collaborates with professional institutions to obtain technical advice, and draws on best practices through industry exchanges to improve its safety management level continuously.

Protective Measures	
Chemical disposal	<ul style="list-style-type: none"> · Chemicals or hazardous substances are collected, stored in the hazardous waste warehouse, and transferred and treated by a third-party disposal company in a unified manner. · In case of an abnormality, it is necessary to wear protective equipment before disposal. · Emergency handling procedure for chemicals
Electricity management	<ul style="list-style-type: none"> · Organize safety training and clearly prohibit unauthorized wiring.
Noise management	<ul style="list-style-type: none"> · Distribute noise-reducing earplugs and conduct noise measurement at different locations in the plant every year.
Equipment inspection	<ul style="list-style-type: none"> · Regular inspection of special equipment · Regular calibration of safety attachments · Regular maintenance of equipment and facilities · Safety protection for dangerous areas of equipment

In terms of basic protection, the Company provides employees with personal protective equipment such as protective masks, earplugs, safety shoes, helmets, protective glasses, protective gloves, and face shields, and establishes a comprehensive process for handling work-related injuries to ensure the lawful rights and interests of employees in emergencies. Meanwhile, the Company conducts pre-job, on-the-job and after-job annual occupational health examinations for new employees and employees on hazardous positions, and continuously monitors the health status of employees using medical technology, forming a comprehensive personnel health management mechanism.



Work-related Injury Handling Process



Indicator	Unit	2025
Number of deaths caused by work-related health issues	Person	0
Amount of investment in work-related injury insurance and workplace safety liability insurance	RMB ten thousand	597.11
Percentage of workplaces where employee health and safety risk assessment has been conducted	%	100



2.4.2 Occupational health and safety culture

Topband is committed to creating a healthy and safe working environment for all employees, strengthening care for employee safety and health, conducting safety training and emergency management training, and enhancing employees' health and safety awareness.

· Special safety training

Topband has established a rigorous safety training system to consolidate the foundation of safety capabilities for all employees comprehensively. New employees must complete three levels of safety training and pass an evaluation before starting working officially; frontline production employees are required to participate in safety training for not less than 20 minutes per month, covering core points such as production operating procedures, emergency response skills, and occupational disease prevention knowledge. In the meantime, the Company requires all employees to regularly participate in training on job operation safety, employee behavior safety and safety awareness, safety risk identification and control, fire safety, etc. to achieve the early screening, early detection, and early intervention of health risks. In 2025, the Company provided safety training for 884 hours in total, involving 7,944 person-times.

· Emergency management training

In terms of emergency management system building, the Company has formulated the Emergency Plan for Work Safety Accidents, which clearly defines the control standards for key production equipment and the disposal processes of different types of accidents, and regularly organizes emergency drills that are close to real scenarios. In 2025, the Company conducted multiple drills successfully, including response time checks, familiarization with evacuation locations, use of firefighting equipment, electric shock accident drills, forklift accident drills, chemical leakage drills, etc. By simulating real accident scenarios, the self-rescue and mutual aid skills of employees, and the efficiency of team emergency response are effectively improved, ensuring that emergency plans are highly practical. In order to further enhance the capacity to prevent and respond to disasters and emergencies, the Company has established a command system for emergency rescue and disaster relief, and strengthened the level of rapid response and cross-departmental collaborative disposal in case of emergencies to minimize losses that may arise from accidents.

Case

Huizhou Topband conducted a fire drill to strengthen the safety defense line

On June 20, 2025, in order to enhance the emergency evacuation and self-rescue skills of employees in case of fires, and test the organizational and coordination effectiveness of emergency management, Huizhou Topband organized a fire emergency evacuation drill for the first half year. The drill covered all business units and logistics personnel, including emergency response and personnel evacuation at fire scenes, practical operations of firefighting equipment, and review and summary. The drill effectively strengthened the fire safety awareness of all employees and provided practical support for the building of a normalized safety prevention and control system in the park.



Practical Operations of Firefighting Equipment



Evacuation of Canteen Personnel



2.5 Serving Community Development

Topband always adheres to the core concept of "boosting social harmony and spreading warmth through public welfare", actively practices corporate social responsibility, participates actively in various social welfare undertakings, and carries out precise empowerment focus on public welfare projects in multiple fields, injecting a positive force into sustainable social development through practical actions. In terms of consolidating and expanding the achievements of poverty alleviation, during the Reporting Period, the Company's core business entities in Guangdong Province recruited 297 people lifted out of poverty (formerly "registered poor population") actively to help consolidate the achievements of poverty alleviation through practical actions.

In the field of public welfare volunteer services, the Company has established a systematic operational mechanism. The Company has established the Topband Volunteer Association, responsible for coordinating the Company's public welfare volunteer activities. It has four divisions: publicity, organization, life, and logistics.

In 2025, the Topband Volunteer Association organized and participated in 14 activities, with over 160 person-times of participants in total. The activities covered themes such as environmental volunteer service, care for children with special needs, book donation, and park activity services, interpreting responsibility and commitment through concrete actions. During the Reporting Period, the Topband Volunteer Association received multiple honors and recognitions for its outstanding contributions to public welfare, such as "Volunteer Service Organization with Outstanding Contributions in Shiyen Sub-district, Bao'an District", "Excellent Child-friendly Sharing Unit", and "2025 Gold Medal Association of Topband".

Public Welfare Activities in 2025

Type of public welfare	Activity theme
Green development and environmental protection	<ul style="list-style-type: none"> • Yangtai Mountain environmental protection tour
Care for children with special needs	<ul style="list-style-type: none"> • Fusion of disabled and able-bodied children
Educational support	<ul style="list-style-type: none"> • "Hope and Dream for Du'an" public welfare book donation • "Hope and Dream for Du'an" public welfare book donation (Stage 2)
Others	<ul style="list-style-type: none"> • Finding shining volunteers • Assisting in the Micro Public Welfare Love Member Conference

Case

Charity donation to care for children's growth

On October 22, 2025, the Topband Volunteer Association carefully prepared and donated a batch of stationery, books and other materials in response to the "Warmth Longchuan" charity donation activity initiated by the Shiyen Social Work Station, and with focus on growth needs of local children in Longchuan. Every item carried the kindness and care of the Topband people, and lit up growth hope for children with every little bit of warmth. On October 29, the Public Service Office of Yidu Town issued a donation certificate to Topband, expressing sincere gratitude for the Company's philanthropic act.



Donation Certificate from the Public Service Office of Yidu Town



Case Yangtai Mountain Low-carbon Action

On May 17, 2025, the Topband Volunteer Association organized the outdoor environmental protection volunteer action in the Yangtai Mountain through the "Low-carbon Action" activity series. The volunteers held garbage pickers, garbage bags and other tools to carry out all-round garbage cleaning along the hiking trail. They collected and sorted plastic waste, food packages and waste items around the trail and in the forest, beautifying the ecological environment of the scenic area through practical actions. This Yangtai Mountain environmental protection volunteer activity further inspired the enthusiasm and initiative of all employees to participate in environmental protection, and converted the green and low-carbon concept into a conscious action of all employees.



Yangtai Mountain Environmental Protection Volunteer Activity



Exchange with the Micro Public Welfare Love Association of Shiyan Sub-district, Bao'an District, Shenzhen

In the meantime, the Company deepened public welfare collaboration with the local government actively, established the Micro Public Welfare Love Association of Shiyan Sub-district, Bao'an District, Shenzhen with the Shiyan Sub-district Office, and was elected as the executive vice president of the association. In this way, the Company works together with all stakeholders to make concerted public welfare efforts and push the boundaries of public welfare services. In the future, the Company will continue to participate deeply in the field of charity care, and carry out various public welfare assistance activities routinely. We also expect more partners to join us in gathering greater public welfare forces to deliver love and warmth.

Indicator	Unit	2025
Total investment of the Company in volunteer activities	RMB ten thousand	0.7873
Number of employees participating in volunteer activities	Person	164
Total hours of voluntary services provided by employees	h	547
Average hours of voluntary services provided by employees	h	3.335



03

Being Compliant to Ensure Steady Development

Standardized governance is the cornerstone of steady development for Topband. To protect the rights and interests of all stakeholders, and drive the long-term value growth of the Company, Topband is committed to building an efficient, transparent, and responsible governance system. Through the four aspects of a sound governance structure, strict compliant operations, adherence to business ethics, and strengthening data security, Topband has provided solid support for long-term stable operation and market cooperation.



3.1 Establishing a Sound Governance Structure

Topband continues to regard high standard modern corporate governance as the cornerstone of long-term stable operation, is deeply rooted in compliant operations and scientific decision-making in various operational links, and continuously optimizes the governance system of statutory rights and responsibilities, coordinated operation, and effective checks and balances. Meanwhile, the Company adheres to benefit sharing, information transparency, and smooth communication in investor relations. These practices together form a solid governance foundation for the Company's long-term stable development and continuous value enhancement.

3.1.1 Corporate governance structure

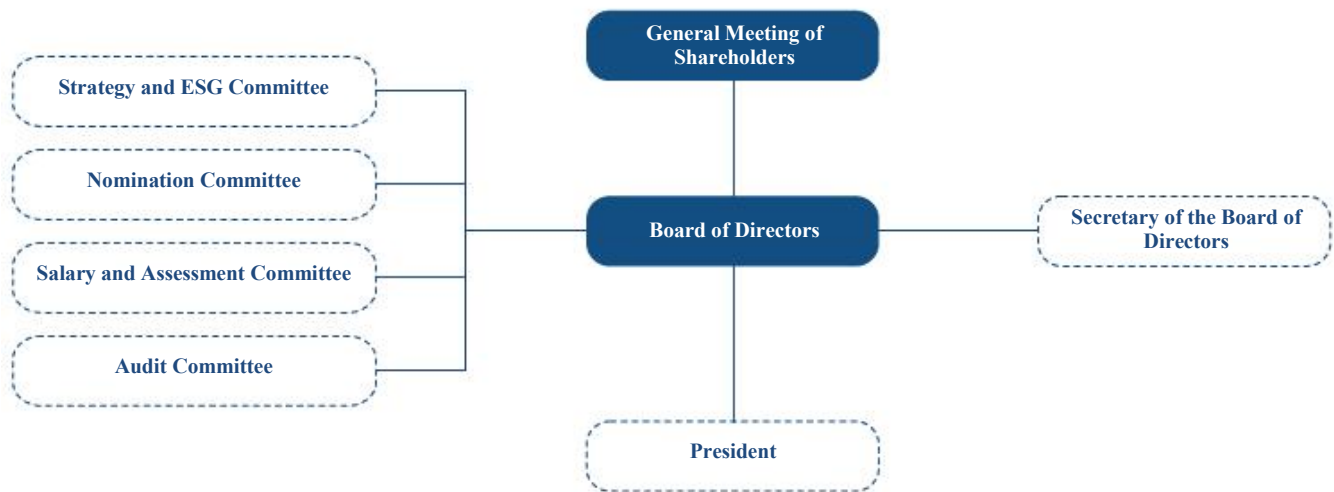
Topband has established a governance system that is transparent in rights and responsibilities, efficient in operation, and effective in checks and balances. It strictly adheres to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Stock Listing Rules of the Shenzhen Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 - Standardized Operation of the Companies Listed on the Main Board, and other laws and regulations, and effectively identifies and resolves potential conflicts of interest and other operational risks, continuously improving the Company's governance efficiency.

In 2025, in close compliance with the requirements of the deepening reform of the capital market and new regulatory requirements, the Company comprehensively sorted out and optimized multiple basic internal control systems such as the Articles of Association, the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for Directors' Meetings, and the President Work System in order to strengthen the operational efficiency of governance layers such as the General Meeting of Shareholders, the Board of Directors, and the President Office Meeting, as well as the supervisory efficiency of specialized committees, and to match changes in the market environment and regulation. In the meantime, based on regulatory trends and internal management needs, the Resignation Management System for Directors and Senior Executives, the Information Disclosure Suspension and Exemption Management System, and the Market Value Management System have been formulated to further strengthen the Company's risk control and compliance governance, enhance the capital market's risk immunity, and improve the level of scientific and standardized decision-making of the Company.

The Company actively improves its governance mechanism and continues to strengthen the professional oversight role of the Board of Directors and its specialized agencies. In 2025, in response to the relevant reform provisions of the new Company Law, the Company carried out significant and compliant optimization and restructuring of its governance organization while ensuring that its statutory supervisory functions are not lacking or weakened. The Board of Supervisors was cancelled in accordance with laws and regulations, and the Audit Committee of the Board of Directors undertook relevant supervisory responsibilities. Currently, the Board of Directors of the Company has established a Strategy and ESG Committee, a Nomination Committee, a Salary and Assessment Committee, an Audit Committee, and a dedicated independent director meeting to provide a dedicated discussion platform for independent directors, ensuring their independence and supervisory effectiveness. During the Reporting Period, various meetings of Topband were convened and held, and voting was carried out in strict accordance with legal procedures, fully leveraging the professional advice and independent supervision role of directors and independent directors on key matters such as strategic guidance, internal auditing and control, and major transaction decision-making. In 2025, the Company held 4 general meetings of shareholders, 6 meetings of the Board of Directors, 7 committee meetings (including two meetings of the Salary and Assessment Committee, and 5 meetings of the Audit Committee), and two special meetings of independent directors, ensuring timely and scientific decision-making on major issues of the Company according to law.



Corporate Governance Structure



During the Reporting Period, the Company gained widespread recognition from the industry and third parties for its efficient governance system and outstanding management capabilities. In the future, Topband will continue to optimize its governance structure, continuously improve its governance level, keep pace with the times, and provide solid governance support for the Company's sustainable development.

Corporate Honors

- CCXGF – ESG Rating A+
- Shenzhen Corporate Governance Research Association - 2025 Top 20 Listed Companies in Corporate Governance in the Greater Bay Area
- Shenzhen Corporate Governance Research Association - 2025 Top 20 Listed Companies in Information Disclosure in the Greater Bay Area
- Average hours of voluntary services provided by employees
- Securities Times – 16th "Investor Relations Management Tianma Award" for Listed Companies
- Securities Times – 19th Top 50 Chinese Listed Companies in New Quality Productive Forces

Capital Market Honors

- Securities Times – 16th "Investor Relations Outstanding Board Secretary Award for Chinese Listed Companies"
- Securities Times – 19th "Sunshine Board Secretary Award for Chinese Listed Companies"



2025 Top 20 Listed Companies in Corporate Governance in the Greater Bay Area



"CCXGF ESG Rating A+" in 2025



· Diversity of the Board of Directors

Topband continues to promote the diversification of its Board of Directors, providing multi-dimensional empowerment for the Company's decision-making. In the stage of candidate selection for the Board of Directors, the Company comprehensively elects professionals with relevant business competencies, accounting experts, strategic experts, and investment professionals based on business requirements, providing objective and professional advice to make more scientific and fair decisions. In addition to examining their professional backgrounds and business competencies, the Company also comprehensively considers diverse personal factors such as age structure, educational experience, and personal resumes of its members, introducing broader perspectives and experience into the Board of Directors, so that their decisions can better serve the Company's long-term development strategy.

During the Reporting Period, the Board of Directors of the Company was composed of 7 members, including two employee directors and two shareholder directors as internal directors.

Diversified Composition of the Board of Directors								
Position	Name	Gender	Educational level	Professional competencies				
				Industry experience	Strategy	Financial accounting	Corporate management	Investment
Chairman and President	Wu Yongqiang	Male	Master	✓	✓		✓	✓
Director, Vice President and BG Head	Ma Wei	Male	Bachelor	✓	✓		✓	✓
Director, Vice President and BG Head	Zheng Sibin	Male	Master	✓	✓	✓	✓	
Director and BG Head	Peng Ganquan	Male	Master	✓	✓		✓	
Independent director	Li Xumeng	Male	Doctor	✓	✓		✓	✓
Independent director	Chen Zhengxu	Male	Doctor	✓		✓	✓	✓
Independent director	Qin Wei	Male	Master	✓		✓	✓	✓

· Independence of the Board of Directors

The Company continuously improves the system and requirements for director independence to ensure the scientific and objective decision-making of the Board of Directors, and effectively prevent potential conflicts of interest. The Company has established the Work System for Special Meetings of Independent Directors in accordance with the Management Measures for Independent Directors of Listed Companies. Independent directors, as third parties who do not hold positions in the Company, are selected through the deliberation of the General Meeting of Shareholders to ensure their independent supervision and professional advice. In the meantime, in order to ensure the effective performance of the functions of the independent directors, the Company stipulates that a special meeting of independent directors must be attended by more than two-thirds of the independent directors or their proxies in order to ensure scientific and effective decision-making. The independent directors deeply participate in various governance meetings of the Company, including meetings of the Board of Directors, general meetings of shareholders, and strategic planning meetings, fully leveraging their professional advantages in financial auditing, standardized operations, strategic development, and other fields. The management of the Company highly values professional opinions raised by the independent directors and regards them as an important reference for optimizing information disclosure, improving investor relations strategies, and preventing operational risks. In addition, the Company requires each independent director to submit a performance report at the annual general meeting of shareholders, allowing shareholders to fully understand the annual performance of each independent director in order to facilitate subsequent adjustments and arrangements. In 2025, the Board of Directors had three independent directors with professional backgrounds covering finance, auditing, strategy, investment, and other fields, providing solid professional support for the Company's scientific decision-making.



Independent Composition of the Board of Directors

Indicator	Unit	2024	2025
Number of board members	Person	7	7
Number of independent directors	Person	3	3
Percentage of independent directors in the Board of Directors	%	42.86	42.86
Number of members of the Salary and Assessment Committee	Person	3	3
Number of independent directors in the Salary and Assessment Committee	Person	2	2
Percentage of independent directors in the Salary and Assessment Committee	%	66.67	66.67
Number of members of the Audit Committee	Person	3	3
Number of independent directors in the Audit Committee	Person	3	3
Proportion of independent directors in the Audit Committee	%	100	100
Number of members of the Nomination Committee	Person	3	3
Number of independent directors in the Nomination Committee	Person	2	2
Proportion of independent directors in the Nomination Committee	%	66.67	66.67
Number of members of the Strategy and ESG Committee	Person	5	5
Number of independent directors in the Strategy and ESG Committee	Person	1	1
Percentage of independent directors in the Strategy and ESG Committee	%	20	20

· Building of the Board of Directors

Topband attaches great importance to the building of the Board of Directors, striving to comprehensively build the Board of Directors into the executive center of the Company in terms of board appointment, functions, remuneration, and conflict of interest management, in order to cope with internal and external risks and changes. On this basis, the Company has formulated a series of regulations on the representation, functions, and appointment of the Board of Directors, promoting the efficient connection between board decisions and the routine business management of the Company, and ensuring the timely implementation of strategic decisions.



Basic Building of the Board of Directors

Building dimension	Building scope
Responsible entity	The Chairman of the Company is the director who represents the Company in executing its affairs and serves as the legal representative.
Main functions	The Board of Directors is the decision-making body of the Company, exercising the power to decide on business and investment plans, formulate profit distribution plans, and appoint or dismiss the president and other executives.
Eligibility review	Employees who meet the requirements of the China Securities Regulatory Commission, the stock exchange, and the Company.

In 2025, the Company revised the Remuneration Management System for Directors and Senior Executives, and continuously established and optimized a remuneration system deeply linked to the Company's efficiency, performance goals, personal performance ability, and sustainable development, ensuring the rationality, incentive nature and long-term value orientation of remuneration distribution, and strengthening the principle of matching governance capacity with the risk-benefit profile. The annual salaries of directors and senior executives are linked to their ability to perform their duties and current performance, and also incorporate risk management considerations; the plan scientifically sets up fixed salary, performance bonus, and retirement benefit arrangements, and specifically clarifies the remuneration recovery and refund mechanism after risk events are triggered to prevent excessive risk-taking behavior. Meanwhile, the Company has established a multidimensional comprehensive remuneration plan and special incentive funds for all key talents, supplemented by regular equity incentives and employee stock ownership plans, to fully protect employees' remuneration rights and achieve deep binding between the core team and the Company's medium - and long-term strategic goals.

Remuneration Building of the Board of Directors

Remuneration of non-independent directors	<p>Based on their specific positions and combined with the basic salary level of the previous year, an annual salary structure that is strongly linked to business responsibility, risks, and performance is implemented, including a fixed basic annual salary (determined by responsibilities and competencies, paid monthly) and a floating operating annual salary. Among them:</p> <ol style="list-style-type: none"> 1. The annual salary of a director serving as the head of a business department: based on the core of net profit growth and business value, combined with financial indicators, customer indicators, internal operations, learning and growth, and other multidimensional organizational KPIs for assessment, following the "no bottom" mechanism, adjusted according to the actual operating situation of the year; 2. For a non-business line director, his/her annual salary is evaluated based mainly on the unique job value created, the achievement rate of annual key goals, and empowerment support for the business line.
Remuneration of independent directors	<p>Work allowances for independent directors shall be paid according to a plan formulated by the Board of Directors of the Company after review and approval by the General Meeting of Shareholders.</p> <p>Reasonable expenses incurred by independent directors in attending meetings of the Board of Directors, and general meetings of shareholders, or performing other compliance duties shall be fully borne by the Company in accordance with the relevant provisions of the Articles of Association.</p>

Indicator	Unit	2023	2024	2025
Ratio of the annual total remuneration of the highest-earning individual to the annual total remuneration median of all employees	%	16.53	14.9*	13.87
Ratio of the growth rate of the annual total remuneration of the highest-earning individual to the growth rate median of the annual total remuneration of all employees	%	122	94	84

*Last year's calculation method has been corrected



To effectively prevent and mitigate potential conflicts of interest, the Company has established a series of support systems. These systems together constitute a supervision and balance system, which regulates the business behavior of company employees, prevents potential conflicts of interest, and ensures the effectiveness and compliance of corporate governance.

The Company has formulated the Articles of Association, which has been reviewed by the Board of Directors and the General Meeting of Shareholders, and defines the boundaries of rights and responsibilities and behavioral norms of each governance level; on this basis, the Company has formulated various internal management systems as a code of conduct for all employees, effectively protecting the legitimate rights and interests of the Company, all shareholders, and stakeholders.

For the controlling shareholder and actual controller	For directors and senior executives	For all employees
Strictly follow regulatory requirements, standardize the approval process and information disclosure obligations for major matters such as share increase and decrease, external guarantees, and fund transactions, and resolutely prevent abuse of power and transfer of benefits.	Clarify and strengthen their loyalty and diligence obligations, and strictly regulate the external investment and part-time behavior of executives. Require executives and core business/technical backbones to sign non-competition agreements and confidentiality agreements to prevent core personnel from using their positions for personal gain or damaging company interests; in terms of decision-making mechanism, strict implementation of the avoidance and voting procedures for shareholders and directors in related party transactions, and pre examination of major related party transactions through independent meetings of the Board of Directors to ensure the fairness of transaction pricing and the legality and compliance of decision-making procedures. All related party transactions that meet disclosure standards are fully disclosed in regular reports or interim announcements to ensure procedural compliance and transparency.	In routine business management, the Company fully implements the system of avoiding employee relatives and the mechanism of declaring conflicts of interest. Strictly regulate the business communication, commercial bribery, and external investment behavior of all employees, and firmly prevent internal and external conflicts of interest from the grassroots source.

During the Reporting Period, the Company regularly conducted special training on information disclosure and capital market compliance for board members based on the latest regulatory developments. Through institutional promotion and case analysis, the Company enhanced the board members' understanding of the information disclosure and business compliance rules, and strengthened their ability to avoid conflicts of interest and handle unexpected risks.

3.1.2 Investor relations management

Topband has established an efficient and transparent information disclosure and communication loop, which not only ensures timely and accurate information transmission, but also continuously consolidates the trust relationship with shareholders, enabling shareholders to clearly and timely understand the Company's business situation and development process.

The Company strictly adheres to laws and regulations such as the Securities Law of the People's Republic of China, and the Management Measures for Information Disclosure of Listed Companies, and strengthens the transparency of enterprise information. On this basis, the Company continues to revise and improve the Investor Relations Management System, and has revised the Rules of Procedure for the General Meeting of Shareholders based on the actual situation, ensuring the timely transmission of key information and protecting shareholders' right to know and participate. In addition, the Company, in accordance with the Public Opinion Management System, properly responds to various public opinion impacts, maintains the Company's market value and commercial reputation, guarantees normal production and operation, and effectively protects the legitimate rights and interests of investors.

During the Reporting Period, Topband received multiple honors for its outstanding investor relations management, reflecting the widespread recognition of the Company's investor management achievements by the market.



2025 Investor Relations Management Tianma Award for Chinese Listed Companies



· Benefit sharing

Topband always puts the interests of shareholders and investors in an important strategic position, and is committed to building a long-term and stable value sharing mechanism to ensure that shareholders and employees can sustainably and fairly share the value of the Company's growth.

Benefit Sharing Measures



The Company has always maintained a stable profit distribution policy, using real benefits to pay back the support and expectations of all parties for the Company. In 2025, based on the current development status and cash flow support of the Company, the Company planned to pay a cash dividend of RMB 0.7 (tax inclusive) per 10 shares to all shareholders, totaling RMB 86.0153 million (tax inclusive), based on the total share capital of 1,228,789,388 shares after deducting the 18,045,600 shares held in the Company's repurchase special securities account from the total share capital of 1,246,834,988 shares. (Note: The final dividend distribution plan is subject to the data approved by the General Meeting of Shareholders and the data on the dividend distribution and share registration date.) In addition to cash dividends, the Company actively uses share repurchase tools to maintain shareholder value. Since its listing in 2007, the Company has accumulated cash dividends of RMB 838 million, and repurchased 38.0657 million shares for a total amount of RMB 288 million; in addition, the Company regularly implements equity incentives or employee stock ownership plans, deeply linking the interests of the core team with the Company's market value performance.

To ensure the fairness and rigorousness of incentive measures, the Company has hired a third-party intermediary to conduct independent audits and risk control in key aspects such as the grant price, performance evaluation, and expense provision of the incentive plan, and seek professional opinions from independent directors in a reasonable manner. Through these measures, the Company has effectively protected the rights and interests of small and medium-sized investors while promoting a high degree of unity among the interests of employees, shareholders, and the Company.

Indicator	Unit	2023	2024	2025
Cash dividends (tax inclusive)	RMB ten thousand	7,350.27	8,601.53	8,601.53
Net profit attributable to shareholders of listed companies in the consolidated statement in the year of dividend distribution	RMB ten thousand	51,551.40	67,144.27	36,387.30
Percentage of cash dividends in the consolidated net profit attributable to the parent company	%	14.26	12.81	23.64
Cash dividends to be distributed per 10 shares (tax inclusive)	RMB	0.6	0.7	0.7
Amount of repurchases	RMB ten thousand	5,997.00	9,570.21	0
Percentage of repurchases in the consolidated net profit attributable to the parent company	%	11.63	14.25	0
Total cash dividends (including repurchase forms)	RMB ten thousand	13,347.27	18,171.74	8,601.53
Percentage of total cash dividends (including repurchase) in the consolidated net profit attributable to the parent company	%	25.89	27.06	23.64



· Information disclosure

Topband adheres to a strict information disclosure system and a strict audit standard to prevent information leakage risks, ensure fairness, impartiality, and openness in information disclosure, and protect the interests of investors.

Improving the institutional system

The Company continues to improve its information disclosure management mechanism, strictly adheres to relevant laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, and effectively assumes the responsibility of information disclosure. It is committed to enabling investors to fully and timely grasp the Company's operations and business progress. The Company has established and improved the Public Information Disclosure Management System, the Information Disclosure Committee Work System, and the Insider Information Insider Registration Management System to standardize disclosure procedures, implement disclosure responsibilities, strengthen insider information control, and effectively prevent information leakage.

Strengthen external supervision and regulatory recognition

In 2025, the Company hired a qualified third-party accounting firm to regularly supervise and audit the Company's annual reports and other matters, ensuring the authenticity and credibility of financial data. With solid credit reporting work, the Company's rating was upgraded from "B" to "A" for the first time in the 2024-2025 listed company information disclosure rating assessment of the Shenzhen Stock Exchange, confirming the high recognition of the Company's standardized operation and information disclosure quality by regulators.

· Information disclosure

Topband has established smooth communication channels for various investors such as shareholders, investors, and potential investors. Through diversified communication methods, it strengthens information communication, responds to concerns of shareholders and investors in a timely manner, promotes positive interactions with them, and improves the transparency of the Company's management.

In 2025, the Company actively responded to regulatory calls and formulated and released the action plan for "double improvement of quality and return", clearly conveying the Company's governance effectiveness, main business development strategy, and market value management concept to the market, and effectively enhancing the Company's brand image and transparency in the capital market with an open and responsible attitude. On the daily communication level, the Company builds communication bridges with investors through various methods such as answering investor hotline calls, providing feedback via email, the Shenzhen Stock Exchange's interaction platform (irm.cninfo.com.cn), performance presentation sessions, roadshows and counter roadshows, and general meetings of shareholders in order to communicate with investors in a positive, open, and responsible manner.



Communication Channels		
Dimension	Specific scope	Core performance
Active communication	· Performance presentation sessions	4 performance presentation sessions
	· Investor exchange meetings	3 extraordinary general meetings of shareholders
	· Roadshows and counter roadshows	1 annual general meeting of shareholders
	· General Meeting of Shareholders	
Passive response	· Investor hotline	The interaction platform replied to 358 questions in total.
	· Interaction platform	
	· Email	
	· Onsite reception	
	· Public opinion complaints and reports	



3.2 Standardized and Compliant Operations

Topband comprehensively promotes the upgrading of compliance system and the construction of risk prevention and control capabilities with compliant operations being the foundation and risk management being the lever. Through the integration of institutional building, process control, and cultural immersion, the Company deeply integrates compliance requirements and risk prevention into strategic decision-making, business execution, and day-to-day operations, providing solid compliance support for the Company's global layout and sustainable development.

3.2.1 Compliant operations

Topband continuously improves its compliance management system, and has built a core line of defense for the Company's stable operation through multiple measures such as structural stratification, institutional improvement, strengthened supervision, and training and publicity.

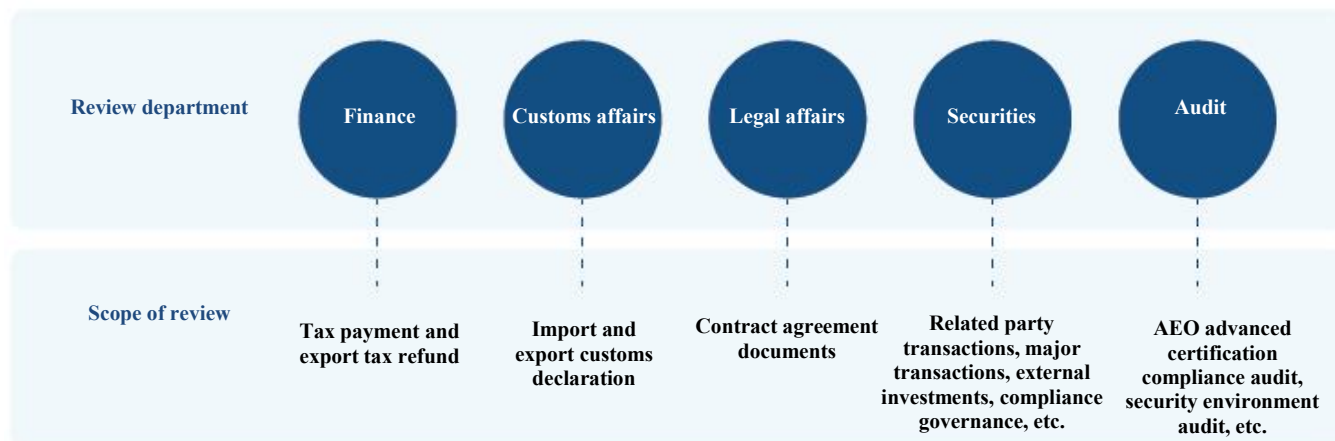
· Compliance management system

Topband has always regarded compliance management as the core lever for stable operation, and built a compliance system covering all business scenarios. The Company has formulated multiple rules and regulations, including the Topband Business Conduct and Compliance Guidelines, the Anti-bribery Agreement, the Management Measures for Anti-unfair and Fraudulent Behavior and Reporting Reward, the Management System for the Declaration of Conflicts of Interest between Employees and the Company, and the Management Regulations for Protecting Whistleblowers, laying a solid institutional foundation for compliant operations. In 2025, the Company updated the Export Control Policies and the Customs Compliance Implementation Requirements to further standardize import and export compliance management.

The Company has established a three-level compliance management structure consisting of governance, management, and execution, with legal, financial, securities, audit, customs and other departments as the core, supplemented by supervision and support mechanisms, forming a coordinated management system with clear rights and responsibilities. In addition, the Company has established a rigorous compliance review process and clarified the review responsibilities of relevant departments with equal rights and responsibilities.

To accurately identify management weaknesses and process loopholes, the Company regularly conducts internal control special audits and on-site audits, and on this basis, outputs targeted improvement plans to comprehensively enhance the effectiveness and management quality of the internal control system. Meanwhile, the Company has launched an internal control audit management platform to efficiently promote problem rectification, and achieve the full-cycle tracking and management of audit items.

Compliance Review



In 2025, the Company strengthened compliance supervision through internal and external collaboration. Externally, the Company appointed RSM China CPA LLP to audit annual reports and other matters to identify potential risks; internally, the Company continuously conducted multiple specialized internal audits, including import and export business audits and AEO certification sustainability audits. The internal audit results show that the Company's import and export business meets the customs regulation requirements, and no major compliance risks were found during the Reporting Period. The overall compliance management level has been effectively verified and improved.

· Building of compliance culture

Topband actively carries out compliance promotion and training for employees and suppliers, strengthens compliance awareness, and cultivates compliance habits. The Company has formed a multi-channel publicity and training model internally, and continues to carry out education and publicity activities through its official account, business group, official website, internal publication Yanxingzhe and other channels. In addition, the Company provides training for all newly hired employees, which includes content related to compliance management, such as Legal Fundamentals, Trade Secret Protection, Company Introduction, Benefits, and Rules and Regulations, with an average training time of 1.5 hours per person.

During the Reporting Period, the Company conducted 13 compliance training sessions, with over 18 hours and 1,133 person-times of participants in total, and an employee training coverage rate of 20%. In the future, the Company will continue to promote compliance building and ensure the comprehensive implementation of compliance culture.

Indicator	Unit	2025
Number of compliance training sessions	Time	13
Total hours of compliance training	h	18.75
Person-time participating in compliance training	Person-time	1,133
Employee coverage of compliance training	%	20

Case

Carry out tariff policy training and strengthen employees' compliance awareness

On December 16, 2025, the Company conducted special training on "Sharing of Mexico's Tariff Policy for China", inviting experts to deeply interpret the amendments to the General Import and Export Tax Law. The training scope includes legal persons, customs executives, and personnel from core business departments such as audit, legal, and sales. The training focuses on the policy background, analysis of tariff laws, and response strategies, helping the team quickly grasp the impact of tariffs on 1,463 Mexican commodities, ensuring the compliance and cost control of the Company's export business to Mexico, and laying a solid compliance foundation for the stability of the global supply chain.



Sharing of Mexico's Tariff Policy for China



3.2.2 Risk management

Topband has established a risk prevention and control system covering the entire chain, improved the governance structure, refined control processes, strengthened trade secret protection, and combined systematic training and case practice to comprehensively enhance risk control capabilities and ensure stable business development.

The Company takes the Internal Control Management System, and the Enterprise Risk Management Framework as its core systems, and combines compliance processes and regulatory requirements of various business lines to deeply embed risk control requirements into the entire chain of corporate governance, including strategic planning, business decision-making, business execution, internal control auditing, etc., forming a closed-loop management mechanism of "institutional constraints – process control – supervision feedback". In 2025, the Company set clear risk management goals and achieved them throughout the Reporting Period, driving the continuous improvement of the Company's risk management capabilities.

Risk Management Targets		
Target	Appeal	Target value
Asset and credit risk control	Non-litigation and litigation collection (RMB 35 million)	Customer credit risk control closed-loop mechanism: Proactively activate and recover overdue accounts and non-performing assets, reducing costs and improving efficiency by RMB 35 million, enhancing the overall asset liquidity and financial health of the Company.
Risk prevention in overseas operations	Submit 3 overseas base legal compliance research reports	Overseas compliance barrier building: Implement and output at least 3 compliance and legal special reports for core overseas bases, providing pre guidance for overseas business compliance and development.
Routine operational risk screening	Risk identification by core risk control personnel/5 risk per person on average	Early warning coverage by risk control grid: Deepen the culture of risk control, promote the grid-based identification of risks in various business lines, establish a normalized self-examination and self-correction mechanism, identify risks in core positions, and focus on controlling key risks.

Topband strictly adheres to the principle of "three lines of defense" in risk management, and regards risk control as the core work of business management. Relying on special improvement actions and precise single point control, it builds a long-term operational risk control mechanism. During the Reporting Period, the Company conducted a review of key internal control points, prepared internal control application manuals and evaluation manuals in conjunction with major departments, and conducted annual internal control self-assessment. In 2025, the Company identified 13 key risks systematically and took relevant risk control measures.



"Three lines of defense" for risk management

Level	Responsible department	Scope of responsibilities
The first line of defense	Business departments	· Directly participate in risk identification, assessment, and control responsibilities separation in day-to-day operations.
The second line of defense	Compliance Department	· Build a risk database. · Provide risk management support and guidance.
The third line of defense	Audit Department	· Routine supervision and feedback · Internal audit

On this basis, the Company's risk management process is divided into three core stages: risk identification, risk control, and risk disposal. The Company regularly iterates and updates the risk factors in the risk database based on changes in the internal and external environments, and accurately defines various risks to ensure the professionalism and precision of risk identification and management. In 2025, after a comprehensive investigation and evaluation, the Company did not have any significant deficiencies in internal control operations, nor were there any major violations.

Risk Management Process

Risk identification	Risk control	Risk management
The Company actively builds a legal risk database, systematically collects, organizes, and manages legal risk information in order to identify various potential risks timely and accurately.	The Company ensures the effectiveness and sustainability of risk management measures through the formulation of overall plans, implementation of specific measures, evaluation of implementation effects, and supervision mechanisms.	According to the nature and severity of the risks, the Company adopted corresponding response strategies in accordance with the law to avoid or reduce potential losses caused by the occurrence of risks.

In the meantime, Topband has incorporated the protection of trade secrets into its management scope, established a sound closed-loop feedback mechanism for trade secret risks, and achieved the efficient collection, accurate analysis, and rapid disposal of risk information. The Company has established a diversified and convenient trade secret risk feedback channel matrix, covering internal collaboration platforms, dedicated email addresses, and 24-hour feedback hotlines, comprehensively covering employees, partners, and other stakeholders, ensuring that various trade secret risk clues can be directly delivered to the management end in a timely manner. On this basis, the Company has also developed a standardized feedback information handling process, ensuring that each item is responded to and everything is implemented.

In addition, the Company focuses on key aspects of trade secret protection and provides systematic risk training to trade secret administrators in various business domains, significantly enhancing their professional skills in identifying, assessing, and controlling trade secret risks. During the Reporting Period, the Company conducted 6 risk management training sessions, with 346 person-times of participants in total.



3.3 Adherence to Business Ethics

Topband adheres to the dual wheel drive of system and culture. On the one hand, it establishes a three-dimensional control system covering business ethics compliance, comprehensive anti-corruption, reporting and whistleblower protection, and builds a barrier of clean operation with a rigid system; on the other hand, through special training, regular compliance publicity, and new employee education, it promotes the internalization and externalization of business ethics concepts, and comprehensively develops a clean and upright business ecosystem.

3.3.1 Business ethics line of defense

Topband has established a system covering business ethics compliance, anti-corruption, reporting, and whistleblower protection. Meanwhile, through special training, regular promotion, and new employee education, the Company actively promotes the implementation of relevant requirements and concepts to create a compliant and clean business environment.

· Anti-unfair competition

Topband is deeply committed to building integrity, cracking down on violations of business ethics, building a strong line of defense with zero tolerance, setting high standards with systems and regulations, and creating a business ethics compliance system suited to its own characteristics.

According to relevant laws and regulations such as the Anti-unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China, the Company has formulated the Topband Business Conduct and Compliance Guidelines, and the Management Measures for Anti-unfair and Fraudulent Behavior Complaints and Reports. During the Reporting Period, the Company did not engage in any major litigation involving corruption, unfair competition, or monopolistic behavior.

· Anti-corruption procedure

The Company has established a comprehensive supply chain and operational anti-corruption management system. The Company has established strict preventive control measures for stakeholders and key businesses in core processes to control corruption risks from the source during transactions and operations.

Anti-corruption Management		
Management level	Management objects	Management measures
Supply chain anti-corruption	Employees	Sign the Integrity Agreement for Procurement Personnel.
	Business partners	Sign the Integrity Commitment Letter, and the Anti-bribery Agreement before cooperation.
Anti-corruption in day-to-day operations	Personnel on key positions	Conduct supervision and auditing irregularly.
	· Main business processes · Major domestic and overseas production bases	Conduct monthly audits, inventory of raw materials, and conduct anti-fraud reviews.



To enhance the effectiveness of supervision, the Company's anti-corruption management has achieved comprehensive coverage, and the anti-corruption policies and procedures have been fully communicated to all employees, executives, and suppliers at all levels. During the Reporting Period, the Company conducted internal audits and risk assessments on matters related to business ethics, covering 13 core R&D/production bases and achieving a 100% supervision coverage rate for R&D/production bases. In the meantime, the Company conducted an anti-fraud email questionnaire survey for 603 suppliers to strengthen the integrity control of the supply chain. In 2025, the Company's risk assessment result was low risk.

Indicator	Unit	2025
Total number of employees receiving anti-corruption policies and procedures from the Company	Person	13,208
Percentage of the Company's anti-corruption policies and procedures communicated to employees	%	100
Total number and percentage of business partners receiving anti-corruption policies and procedures from the Company (segmented by business partner category and region)	%	100
Total number of regulator members receiving anti-corruption policies and procedures from the Company	Person	7
Percentage of anti-corruption policies and procedures of the Company communicated to members of the governing body	%	100

· Reporting mechanism and whistleblower protection

Topband continuously optimizes its reporting mechanism, expands reporting channels, and encourages employees to actively expose suspicious behavior.

In accordance with the Management Measures for Anti-unfair and Fraudulent Behavior Complaints and Reports, the Company has specified a variety of reporting channels in detail, including online phone calls, emails, audit WeChat official account, and reporting mailboxes. The reporting scope covers the Company's partners, customers, suppliers, and internal and external employees.

Reporting channels	
Telephone	0755-27651888-8040
Email	tbjb@topband.com.cn
Letter	Audit Center, Shenzhen Topband Co., Ltd., Topband Industrial Park, No. 1 Yongteng Third Road, Tangtou Community, Shiyan Sub-district, Bao'an District, Shenzhen 518108

In addition, the Company has established a reporting bonus system, providing corresponding rewards for verified reports. In the face of violations, the Company will take different disciplinary measures based on their severity, including credit deduction, warning, demerit, dismissal, and transfer to judicial authorities.

In terms of protecting the privacy of whistleblowers, the Company strictly follows the Regulations on the Protection of Whistleblowers to prevent whistleblowers from receiving any form of unfair treatment. The Company strictly controls the scope of informed personnel during the investigation process, adopts an undercover investigation approach, and effectively protects the legitimate rights and personal safety of whistleblowers.



3.3.2 Business ethics culture

Topband actively carries out business ethics training to help all employees develop a healthy working thought. We organize special training on anti-fraud and integrity culture every quarter, focusing on the core theme of "Duty Crime and Risk Prevention". Through case analysis and special lectures, we guide employees to deeply understand the harm of corrupt behavior. During the Reporting Period, the Company conducted 5 training sessions on business ethics, with 1,287 person-times of participants in total.

Case

Carry out training on preventing the risk of job-related crimes and standardize employees' job-related behavior

On March 26, 2025, the exchange training entitled "Duty Crimes and Risk Prevention in the Company's Operations" organized by the Company's Audit Center was held as scheduled in Shenzhen. This training was conducted both online and offline, with participants including managers, supervisors, procurement colleagues, etc. At this exchange meeting, discussions were made in three aspects: current situation research, case sharing, and risk prevention, further strengthening the self-restraint behavior of employees and providing effective support for reducing duty crimes and preventing related risks.



Exchange and Training on Duty Crimes and Risk Prevention

Meanwhile, the Company promotes the normalization of business ethics education and actively conducts online compliance classes; based on the WeChat official account, the Audit Department issued documents to publicize compliance at major festivals such as the Spring Festival and the Mid-Autumn Festival, and disclosed punishment announcements for violators through the internal office software to strengthen the integrity awareness of all employees in a dual-track model of "positive guidance + negative warning".

In addition, the Company attaches great importance to business ethics training for new employees, and includes business ethics related training such as Protection of Trade Secrets in the new employee training curriculum, covering all new employees.

Indicator	Unit	2025
Total number of times of anti-corruption training provided	Time	5
Total person-time receiving anti-corruption training	Person-time	1,287
Number of directors receiving anti-bribery and anti-corruption training	Person	4
Percentage of directors covered by anti-bribery and anti-corruption training	%	57
Total number of managers receiving anti-bribery and anti-corruption training	Person	6
Percentage of managers receiving anti-commercial bribery and anti-corruption training	%	66
Number of employees receiving anti-bribery and anti-corruption training	Person	1,281
Proportion of employees receiving anti-bribery and anti-corruption training	%	9.70



3.4 Data Security Protection

Topband combines compliance requirements, system support, and technological empowerment to establish an information security and customer privacy protection system that covers systems, processes, and special measures, continuously consolidating the Company's foundation in data security and trade secret protection.

3.4.1 Information security governance

The Company continuously improves its information security governance, strengthens its information security management processes, risk management, and related training to systematically build an information security protection network.

· Information security system and architecture

Topband strictly adheres to a series of national laws, regulations, and industry standards such as the Cybersecurity Law of the People's Republic of China, the Regulations on the Security Protection of Computer Information Systems of the People's Republic of China, and the Management Measures for Information Security Level Protection. It regards data security and information security management as the key cornerstone for ensuring stable business operations, protecting customer rights and interests, and consolidating the Company's core competencies.

On this basis, the Company continuously iterates and optimizes the Network Information System Security Management System with focus on practical needs of digital transformation and global operations, defining the boundaries of responsibilities, operational norms, and emergency response processes for information security management, covering multiple key areas such as network platform operation and maintenance, confidential information control, and user permission management, and ensuring that there is no blind spot in the security protection of its network information platform, and that management standards achieve full coverage.

To ensure the efficient implementation of information security strategies, the Company has established a coordinated three-level information security management framework with clear responsibilities. As the coordination core, the Trade Secret Protection Committee comprehensively leads the top-level design of information security and trade secret protection. As the special execution center, the trade Secret Department takes the lead in formulating information security management implementation plans and technical protection standards around customer privacy protection needs, enterprise development strategies, and business plans, and collaborates with the IT Department and the Audit Department. Each business line has a dedicated business secret administrator as the "last mile" executor of information security management, strictly following the established plan to promote refined control in the three dimensions of personnel, environment, and information.



Information Security Management Structure



· Information security management process

Based on the Company's global business layout and the characteristics of the entire industry chain, Topband focuses on three core areas: security technology R&D, security management system building, and support for secure operations. In order to achieve precise risk prevention and closed-loop management, the Company innovatively implements a full-process risk management strategy covering the pre-event, during-event and post-event stages, and builds a comprehensive information security protection management process.

To strengthen precise control over information access, the Company implements strict hierarchical and classified management for confidential information permissions. By sorting out core business information, and developing detailed confidentiality level permission classification criteria and exclusive confidentiality level permission tables, the Company defines the classification rules, storage specifications, communication paths, and access permission boundaries for confidential information of different categories and levels, ensuring that each item of confidential information has a clear control basis. In addition, the Company has established a supporting permission approval process to review information access, changes, cancellations, and other operations, preventing unauthorized personnel from illegally obtaining, using, or leaking confidential information from the source, and achieving full traceability and supervision in information permission control.



Process of Trade Secret and Information Protection

Confidentiality dimension	Confidential scope
Environment-based confidentiality	<ul style="list-style-type: none"> · Isolated physical environment · Isolated network environment
Personnel	<ul style="list-style-type: none"> · Duties of confidentiality · Confidentiality awareness
Customer information	<ul style="list-style-type: none"> · Confidentiality of materials and documents · Sample confidentiality
Assessment improvement	<ul style="list-style-type: none"> · Routine confidentiality statement · Supervision and assessment by the Company's management · Continuous improvement

Through continuous cultivation and system building, the Company has achieved significant results in information security and trade secret protection. In 2025, multiple bases of the Company passed ISO 27001 information security certification, with 38.46% of all operating locations certified to the ISO 27001 information security management system, indicating that the Company has developed systematic information security capabilities.

Bases that have been certified to the ISO 27001 information security management system (list)

1	Shenzhen Topband	Certified
2	Huizhou Topband	Certified
3	Topband Vietnam	Certified
4	Topband Mexico	Certified
5	Topband India	Certified



Meanwhile, in the field of trade secret protection, the Company continues to deepen special construction. On the basis of the existing trade secret protection site of Shenzhen Topband, Ningbo Topband successfully won the title of "Trade Secret Protection Site of Ningbo City" in 2024 and obtained a certificate in 2025 for its perfect trade secret protection system, solid control measures, and outstanding practical performance, fully demonstrating the Company's industry demonstration role in the field of trade secret protection.



Certificate of Business Secret Protection Site of Ningbo City in 2025

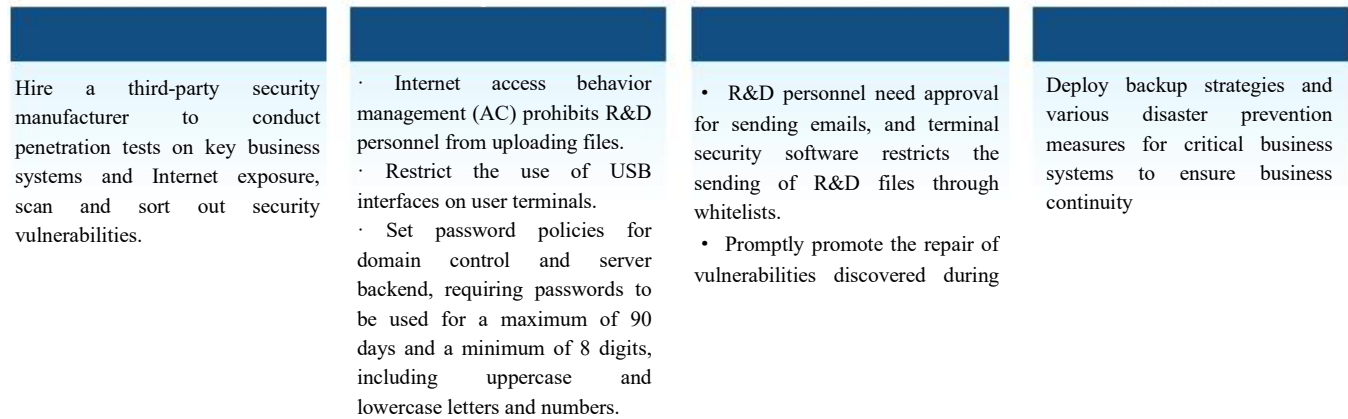


Award Presentation Scene

· **Information security risk management**

Topband has formulated the Management Measures for Information Emergency Response Plan, which define the emergency response process, division of responsibilities, disposal standards, and review mechanism for information security emergencies, providing solid institutional support for the rapid and efficient disposal of various security incidents. On this basis, the Company deeply integrates core technologies such as vulnerability management and attack surface analysis, innovatively builds a "prediction – defense – response – evolution" full-process dynamic governance system, ensuring that the information security system always operates efficiently, and is able to respond to complex network environments and new security risks.

Information Security Risk Management Process



To promptly identify and rectify security risks, the Company has established a regular audit and vulnerability detection mechanism, and implements a dual control model of "internal self-inspection + external evaluation". A comprehensive internal security audit is organized every six months, and a third-party professional agency is engaged to conduct a comprehensive external audit evaluation every year. Security vulnerabilities in the Company's application programs, servers, network devices, user terminals, and other IT assets in all scenarios are subject to regular scanning and penetration testing to prevent information security risks from the source.



In the field of supply chain security control, Topband extends the information security requirements to the entire supply chain. The Company implements an annual information security evaluation system for its partner suppliers, strictly adheres to institutional documents such as the Supplier Information Security Annual Review, and the Supplier Security Management Regulations, conducts comprehensive evaluations in multiple dimensions, and accurately controls suppliers' information security performance. For third-party partners, the Company regards information confidentiality as one of the core conditions for cooperation access, and requires them to sign exclusive confidentiality agreements, defining confidentiality obligations, liabilities for breach, and compensation rates for information leakage, and legally constraining the behavior of partners.

· **Information security training**

The Company attaches great importance to the development of the awareness of information security among all employees, incorporates information security training into the regular training system, and regularly organizes all employees to participate in quarterly information security special training. The training covers core modules, and through diverse forms such as case explanation, scenario simulation, and online assessment, and helps all employees deeply understand the importance of information security work, and proficiently master necessary information security knowledge and practical skills. In the new employee training curriculum, the Company has included Basic Application of Information Systems and Networks as a training theme, covering all new employees, and forming a comprehensive protective atmosphere that "everyone values, understands and abides by security".

Types of Information Security Training



Training on Trade Secret Protection and Management



Confidentiality Management Training



Case Strengthen network security training and build a solid information security line of defense

On June 10, 2025, Topband and Sangfor Technologies jointly conducted special training on network security awareness, focusing on the four core aspects of information security overview, situation analysis, typical cases, and prevention awareness. The training combines analyzes new trends and new methods of current network attacks based on various types of network security cases such as domestic and international ransomware attacks, phishing scams, and AI deepfakes. Meanwhile, the training provided practical personal protective measures and emergency response methods for password management, terminal protection, and office environment security, comprehensively strengthening the awareness and practical skills of all employees in network security prevention, and reducing the Company's information security risks from the source.



Network Security Awareness Training in Shenzhen

Indicator	Unit	2024	2025
Information security and privacy protection training session	Session	3	10
Person-time receiving information security and privacy protection training	Person-time	100	405
Total hours of information security and privacy protection training	h	150	805
Number of information security incidents	Nr.	0	0



3.4.2 Customer privacy protection

Topband focuses on the core requirements of global operational data compliance and privacy protection, and comprehensively strengthens customer data security barriers with strict requirements and standards.

In response to data compliance and privacy protection needs in global operations, Topband strictly adheres to international and regional data protection regulations such as the European Union's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), and regards customer data security and privacy protection as the core focus of winning customer trust and ensuring compliant operations. We have built a compliance protection system that covers the entire lifecycle of customer data.

During the product design stages, the Company prioritizes user privacy protection requirements, strictly adheres to the principle of data minimization, and collects necessary customer information for business operations only. In addition, in order to ensure users' independent right of choice, the Company specifically provides customers and consumers with the "one-click data sharing shutdown" function, clearly informing them of the scope and method of data use, and comprehensively protecting their legitimate rights and interests.

In 2025, the Company continued to strengthen its capabilities in data security and network protection. On the one hand, the Company comprehensively implemented sensitive data encryption transmission mechanisms for key business departments, data processing positions, and other important aspects; on the other hand, the Company optimizes and upgrades its overall network architecture, and strictly implements dual protection measures of physical and logical isolation between customer production networks and external public networks, effectively preventing external network attacks from penetrating into core production areas. In addition, all servers provided by the Company for external services have successfully passed Class 3 national information security level protection certification, meeting industry-leading security protection standards and further strengthening the network security protection barrier. In 2025, the Company did not experience any incidents of data security or customer privacy leakage.



Key Performance Indicators (KPIs)

Environmental issues ▼

Indicator	Unit	2024	2025	2023
Total GHG emissions - Shenzhen Plant	tCO ₂ e	14,839.66	15,421.36	13,690.03
Total GHG emissions - Huizhou Plant ^{*1}	tCO ₂ e	35,616.70	28,123.96	/
Total GHG emissions - Nantong Plant	tCO ₂ e	11,810.40	/	/
Scope 1: Direct GHG emissions ^{*2}	tCO ₂ e	837.65	767.63	123.03
Scope 2: Indirect GHG emissions from energy sources ^{*3}	tCO ₂ e	52,664.67	42,777.69	13,567.00
Scope 3 Other indirect GHG emissions - Huizhou Plant	tCO ₂ e	8,764.44	/	/
Outsourced goods and services	tCO ₂ e	175.39	/	/
Capital goods	tCO ₂ e	366.83	/	/
Fuel and energy-related activities	tCO ₂ e	6,276.57	/	/
Waste generated during operations	tCO ₂ e	63.32	/	/
Business trips	tCO ₂ e	81.56	/	/
Employee commuting	tCO ₂ e	35.54	/	/
Downstream leased assets	tCO ₂ e	1,765.22	/	/
Total GHG emissions ^{*4}	tCO ₂ e	62,266.76	43,545.32	13,690.03
Annual total energy consumption	MWh	135,485.92	129,865.79	100,971.70
Renewable energy power generation	MWh	4,542.78	4,311.47	2,239.00
Gasoline consumption	L	80	40	-
Diesel consumption	L	23,900	107,431.72	-
Natural gas consumption	m ³	144,891.00	141,846.00	215,907.00
Outsourced electricity	MWh	129,263.91	122,997.90	96,573.63
Power consumption ^{*5}	MWh	133,806.69	127,309.37	98,812.63
Water intake	m ³	645,247	627,918	-
Total water consumption	m ³	645,247	627,918	516,327



Indicator	Unit	2025	2024	2023
Total discharge of pollutants in water	MT	No wastewater discharged	No wastewater discharged	No wastewater discharged
Total amount of non-hazardous waste generated	MT	1,121.66	2,639.78	-
Total amount of waste disposed of	MT	3,033.01	3,143.49	2,758.45
Total weight of hazardous waste disposed of	MT	1,044.87	938.78	933.45
Total weight of nonhazardous waste disposed of	MT	1,988.14	2,204.71	1,825.00
Chemical leakage accident	Time	0	0	0
Disposal of hazardous waste	%	100% up to standard	100% up to standard	100% up to standard
Up-to-standard noise emissions at the factory boundary	%	100% up to standard	100% up to standard	100% up to standard
Industrial exhaust emissions	%	100% up to standard	100% up to standard	100% up to standard
Sulfur dioxide emission compliance rate	%	100% up to standard	100% up to standard	-
Nitrogen oxide emission compliance rate	%	100% up to standard	100% up to standard	-
Particulate matter emission compliance rate	%	100% up to standard	100% up to standard	-
Total amount of recycled raw materials	MT	118.842 ^{*6}	4.507 ^{*7}	/
Amount of recycled packaging materials	Nr.	995,716 ^{*8}	105,422 ^{*9}	/
Consumption of packaging materials	Nr.	127,944,495 ^{*10}	/	/
Consumption intensity of packaging materials	Nr./RMB 10,000 of output value	110.59	/	/

*1: In 2025, the Company added statistics and accounting for Scope 3 carbon emissions.

*2: In 2025, the scope of statistics of this indicator was further expanded, with the Nantong Plant added on the basis of the existing Shenzhen and Huizhou Plants.

*3: In 2025, the scope of statistics of this indicator was further expanded, with the Nantong Plant added on the basis of the existing Shenzhen and Huizhou Plants.

*4: In 2025, the scope of statistics of this indicator was further expanded, with the Nantong Plant added on the basis of the existing Shenzhen and Huizhou Plants; and statistics and accounting for Scope 3 carbon emissions were added.

*5: Updated calculation method in 2025: Electricity consumption = outsourced electricity + generated power output; among them, "generated power output" refers specifically to "renewable energy generation".

*6: This is the tin slag recycling data, covering the Ningbo base, New Energy Business Unit (including Nantong data), Vietnam base, Electrics Business Unit, Shenzhen Microelectronics, Huizhou Microelectronics, Electric Control Business Unit, Romania base, and Mexico base.

*7: This is the tin slag recycling data, covering the Ningbo base, Electrics Business Unit, Shenzhen Microelectronics, Huizhou Microelectronics, and Electrical Control Business Unit.

*8: The scope of statistics includes Ningbo base, New Energy Business Unit (including Nantong data), Vietnam base, Electrics Business Unit, Shenzhen Microelectronics, Huizhou Microelectronics, Electric Control Business Unit, Romania base, and Mexico base

*9: The scope of statistics includes Ningbo Base, Electrics Business Unit, Shenzhen Microelectronics, Huizhou Microelectronics, and Electrical Control Business Unit.

*10: The consumption of packaging materials of the current year is calculated based on the total inventory of the current period.



Social issues ▼

Indicator	Unit	2025	2024	2023
R&D headcount	Person	2,138	2,178	2,004
Proportion of R&D personnel	%	16.19	18.75	21.50
R&D investment	RMB hundred million	10.47	9.52	8.34
Proportion of R&D input	%	9.45	9.07	9.28
Patents obtained (including foreign patents)	Nr.	278	305	351
Total number of employees	Person	13,208	11,617	9,323
Percentage of female employees in the total number of employees of the Company	%	42.34	42.64	41.46
Percentage of female holding senior management posts	%	22.59	12.5	15.92
Percentage of female directors	%	0	0	0
Total number of employees aged 30 and below	Person	5,513	4,834	-
Total number of employees aged 30 to 50	Person	7,511	6,653	-
Total number of employees aged 50 and above	Person	184	130	-
Number of full-time contract employees	Person	13,188	11,521	-
Number of full-time dispatched employees	Person	0	934	-
Total number of new employees	Person	8,949	9,350	-
Employment rate of new male employees	%	41.07	47.23	-
Employment rate of new female employees	%	45.60	47.12	-
Employment rate of new employees aged 50 and above	%	30.04	12.69	-
Employment rate of new employees aged 30 to 50	%	32.48	35.98	-
Employment rate of new employees aged 30 and below	%	54.91	59.48	-
Employment rate of new employees working in the Chinese mainland	%	30.25	42.93	-
Employment rate of new employees working in Hong Kong, Macao, Taiwan and overseas	%	66.41	66.75	-
Employee turnover rate	%	36.41	37.15	-
Male employee turnover rate	%	34.01	38.35	-
Female employee turnover rate	%	39.41	35.41	-
Turnover rate of employees aged 50 and above	%	17.49	20.15	-



Indicator	Unit	2025	2024	2023
Turnover rate of employees aged 30 to 50	%	29.83	31.72	-
Turnover rate of employees aged 30 and below	%	44.00	43.11	-
Turnover rate of employees working in the Chinese mainland	%	28.72	38.27	-
Turnover rate of employees working in Hong Kong, Macao, Taiwan and overseas	%	50.38	31.98	-
Percentage of employees who cover the formal election of employee representatives in all employees of all regions *1	%	93	26*2	32*3
Days of employee maternity leave	Day	178	178	178
Hours of employee breastfeeding leave	h/day	1	1	1
Total number of employees entitled to parental leave by gender	Person	Male/2,885 Female/2,947	Male/2,780 Female/2,839	Male/2,348 Female/2,424
Total number of employees taking parental leave by gender	Person	Male/389 Female/237	Male/373 Female/177	Male/297 Female/245
Total number of employees who return to work during the Reporting Period after parental leave by gender	Person	Male/387 Female/212	Male/333 Female/136	Male/271 Female/165
Return rate of employees on parental leave by gender	%	Male/99.49% Female/89.45%	Male/95.59% Female/92.19%	Male/91.25% Female/67.35%
Total hours of the Company's training related to human rights policies or procedures and percentage of employees covered	h; %	Newcomer training involves a course on human rights, 2 h/session, approximately 24 h/year in total. Covering 100% employees	Newcomer training involves a course on human rights, 2 h/session, approximately 24 h/year in total. Covering 100% employees	Newcomer training involves a course on human rights, 2 h/session, approximately 24 h/year in total. Covering 100% employees
Percentage of workplaces where the Company has conducted employee health and security risk assessment in all workplaces	%	100	77.78	100
Number of plants where the Company has conducted employee health and safety risk assessments	Nr.	8	7	-
Percentage of all employees at all locations who are represented by a health and safety committee	%	100	100	100
Number of employees at key and special posts undergoing physical examinations	%	36.15	100	100
Number of occupational hazard factor detections conducted in places involving occupational hazards	Times/year	8	Not applicable	2
Number and rate of fatalities due to workplace injuries	Person; %	0; 0	0; 0	0; 0



Indicator	Unit	2025	2024	2023
Number and rate of workplace injuries (excluding fatalities) with severe consequences	Person; %	0; 0	0; 0	0; 0
Number of recordable work-related injuries	Person	37	6	7
Number of working days lost due to work-related injuries	Day	1,183.5	364	-
Number of deaths caused by work-related health issues	Nr.	0	0	0
Number of recordable cases of work-related health issues	Nr.	0	0	0
Amount of investment in work-related injury insurance and workplace safety liability insurance	RMB thousand	597.11 ^{ten}	461.22	-
Total hours of safety training	h	744.5	884	-
Total person-time receiving safety training	Person-time	23,514	7,944	-
Number of new recruits attending the induction training	Person	8949	9350 ^{*4}	-
Percentage of employees participating in orientation training	%	67.75	41.46	92.40
Achievement rate of safety education for new employees	%	100	100	100
Number of employees certified for qualifications	Person	848	923	1,470
Number of core key personnel covered by IDP (Individual Development Plan)	Person	425	More than 200	1,260
Percentage of employees who have accepted regular performance and career development assessment in all employees in all regions	%	100	100	100
Percentage of employees who have accepted relevant vocational or skill training in all employees in all regions	%	100	100	100
Percentage of employees who have accepted diversity, discrimination or harassment training in all employees in all regions	%	100	100	100
Number of participants and hours of skill training for professional posts	Person; h	Person-time of 12,960 172,842 h	Person-time of 11,842 147,852 h	Person-time of 4,200 Approx. 34,400 h
Number of management skills training sessions conducted by the Company	Session	10	6	9
Number of skill training sessions conducted within each department	Session	1,365	929	499
Employee training person-times	Person-time	More than 20,000	More than 20,000	More than 20,000
Investment in employee training	RMB	Approx. 2 million	Approx. 2 million	Approx. 2 million
Total employee training hours	h	Approx. 170,000	Approx. 160,000	Approx. 140,000
Average employee training hours	h	12.62	10	13



Indicator	Unit	2025	2024	2023
Average training hours of employees by gender and category	h	The number of average training hours for female employees is about 13 h; The number of average training hours for male employees is about 12 h; The number of average training hours for professionals is about 13 h; The number of average training hours for managers is about 8 h;	The number of average training hours for female employees is about 13 h; The number of average training hours for male employees is about 12 h; The number of average training hours for professionals is about 14 h; The number of average training hours for managers is about 8 h;	The number of average training hours for female employees is about 12 h; The number of average training hours for male employees is about 14.5 h; The number of average training hours for professionals is about 14 h; The number of average training hours for managers is about 9 h;
Percentage of total employees of workers from ethnic minorities, minority groups and vulnerable groups (for example, disabled person) ^{*5}	%	9.75	22.42	0.23
Gap of average remuneration both male and female (percentage of average total hourly wage of female employees in that of male employees)	%	80.23	74.94	76
Minimum number of weeks that the Company notifies employees and their representatives in advance before implementing major operational changes that may have a significant impact on the Company and employees	Week	1	1	1
Total number of employee proposals received by the "Employee Experience Platform"	Nos.	300	545	475
Number of holding of "employee communication meetings"	Time	4	10	7
Number of employee feedback issues resolved through "employee communication meetings"	Nr.	39	248	54
Total number of suppliers (at the end of the Reporting Period)	Nr.	1,731	2,224	-
Number of suppliers in the Chinese mainland (at the end of the Reporting Period)	Nr.	1,532	2,031	-
Number of suppliers in Hong Kong, Macao and overseas regions (at the end of the Reporting Period)	Nr.	199	193	-
Total number of new suppliers	Nr.	77	862	-
Percentage of target suppliers who have signed the Sustainable Purchase Charter/Supplier Code of Conduct	%	100% for target suppliers	100	100
Percentage of suppliers signing contracts that include environment, labor and human rights requirements	%	100% for target suppliers	100	100
Percentage of target suppliers who have subjected to assessment of corporate social responsibility (CSR)	%	100% for target suppliers	100	100
Percentage of target suppliers who have subjected to on-site audit of corporate social responsibility (CSR)	%	100% for target suppliers	100	100% for official manufacturers
Percentage of purchasers who have received sustainable purchase training in all regions	%	100	100	100
Proportion of spending on local suppliers	%	68	70	39.30
New manufacturers selected according to environmental standards	%	40	86	-
Percentage of new suppliers selected according to environmental standards	%	100% for target manufacturers	100% for target suppliers	100% for official suppliers



Indicator	Unit	2025	2024	2023
Number of manufacturers that have conducted EIA	Nr.	110	105	72
Number of suppliers identified as having actual and potential significant negative impact on the environment	Nr.	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the environment and approved for improvement after assessment	%	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the environment and approved for improvement after assessment	%	0	0	0
New manufacturers selected according to social standards	Nr.	40	86	-
Percentage of new suppliers selected according to social standards	%	100% for target manufacturers	100% for target suppliers	100% for official suppliers
Number of manufacturers that have conducted SIA	Nr.	110	105	-
Number of suppliers identified as having actual and potential significant negative impact on the society	Nr.	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the social and approved for improvement after assessment	%	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the social and approved for improvement after assessment	%	0	0	0
Total investment of the Company in volunteer activities	RMB thousand	ten 0.79	2	-
Number of employees participating in volunteer activities	Person	64	72 ^{*6}	-
Total hours of voluntary services provided by employees	h	547	639.5 ^{*7}	-
Average hours of voluntary services provided by employees	h	8.55	8.88 ^{*8}	-
Fund invested by the Company to support public welfare, charity and rural revitalization	RMB thousand	ten 12.93	7	-

*1: Calculation method: number of employees that can be represented by an independent trade union/all employees.

*2: Last year's calculation method has been corrected.

*3: Last year's calculation method has been corrected.

*4: Last year's calculation method has been corrected.

*5: Including ethnic minorities and vulnerable groups (e.g., disabled people) of the Shenzhen R&D center, Huizhou Plant, Nantong Plant, Ningbo Plant and other places.

*6: Last year's calculation method has been corrected.

*7: Last year's calculation method has been corrected.

*8: Last year's calculation method has been corrected.



Governance issues ▼

Indicator	Unit	2025	2024	2023
Number of board members	Person	7	7	7
Number of independent directors	Person	3	3	3
Percentage of independent directors in the Board of Directors	%	42.86	42.86	42.86
Number of meeting(s) of the Board of Directors held	Time	6	12	11
Number of general meeting(s) of shareholders held	Time	4	3	4
Number of meeting(s) held of the Board of Supervisors	Time	/* ¹	7	7
Number of meeting(s) of the Strategy Committee	Time	0	2	0
Number of meeting(s) of the Audit Committee	Time	5	5	4
Number of meeting(s) of the Nomination Committee	Time	0	0	1
Number of meeting(s) of the Salary and Assessment Committee	Time	2	2	2
Number of Special Meeting(s) of Independent Directors	Time	2	2	Not established
Ratio of the annual total remuneration of the highest-earning individual to the annual total remuneration median of all employees	%	13.87	14.9* ²	16.53
Ratio of the growth rate of the annual total remuneration of the highest-earning individual to the growth rate median of the annual total remuneration of all employees	%	84	94	122
Reports generated by the whistleblowing program	Nr.	25	28	23
Corruption incidents	Nr.	2	1	2
Total number of incidents where employees from the Company are dismissed or disciplined due to corruption	Nr.	3	4	2
Total number of incidents where the Company's contracts with business partners are terminated or not renewed due to violations related to corruption	Nr.	1	3	5
Total number of business locations where the Company has conducted internal audits/risk assessments on business ethics issues	Nr.	7	10	8
Percentage of business locations where the Company has conducted internal audits/risk assessments on business ethics issues in the total business locations	%	100	100	80
Percentage of the Company's anti-corruption policies and procedures communicated to employees	%	100	100	100
Percentage of the Company's anti-corruption policies and procedures communicated to business partners by the Company	%	100	100	100
Total number of times of anti-corruption training provided	Time	5	4	-
Total person-time receiving anti-corruption training	Person-time	1,287	980	-
Number of directors receiving anti-bribery and anti-corruption training	Person	4	7	7



Indicator	Unit	2025	2024	2023
Percentage of directors covered by anti-bribery and anti-corruption training	%	57	100	100
Total number of managers receiving anti-bribery and anti-corruption training	Person	6	8	-
Percentage of managers receiving anti-commercial bribery and anti-corruption training	%	66	66.67	-
Number of employees receiving anti-bribery and anti-corruption training	Person	1,281	972	-
Proportion of employees receiving anti-bribery and anti-corruption training	%	9.70	8.37	- 7
Total number of regulator members receiving anti-corruption policies and procedures from the Company	Person	7	7	100
Percentage of the Company's anti-corruption policies and procedures communicated to regulator members	%	100	100	-
Number of risk management training provided	Time	6	20	-
Number of person-time participating in risk management training	Person-time	346	165	-
Number of compliance training sessions	Time	13	34	-
Total hours of compliance training	h	18.75	36.6	-
Person-time participating in compliance training	Person-time	1,133	2,202	- 2
Employee coverage of compliance training	%	20	18.95	80
Information security and privacy protection training session	Session	10	3	100
Person-time receiving information security and privacy protection training	Person-time	405	100	0
Total hours of information security and privacy protection training	h	805	150	25
Number of information security incidents	Nr.	0	0	100
Percentage of business locations certified to the ISO 27001 information security management system to all business locations	%	38.46	50	-

*1: The Company has cancelled the Board of Supervisors.

*2: (Last year's calculation method has been corrected.)



Index (Shenzhen Stock Exchange, GRIs)

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	14	Equal treatment of small and medium-sized enterprises	Article 46	Collaborative supply chain ecosystem
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BUILDING A MORE INTELLIGENT AND LOW-CARBON WORLD

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