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MEGMEET
麦米电气



2025

Shenzhen Megmeet Electrical Co., Ltd.

Environmental, Social and Governance (ESG) Report

MEGMEET
麦米电气

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About This Report

This report marks the sixth release of social responsibility information and the fifth *Environmental, Social and Governance (ESG) Report* of Shenzhen Megmeet Electrical Co., Ltd., It systematically elaborates on the Company's practices and relevant performance in environmental, social and corporate governance aspects, enabling investors and stakeholders to understand the Company's ESG performance in a clearer, more intuitive and transparent manner.

Reporting Period

This report is an annual report covering the period from January 1, 2025 to December 31, 2025. To improve historical comparability of the report, explanations will be provided at relevant places where partial textual information exceeds the above time scope.

Reporting Scope

The reporting scope of this report covers Shenzhen Megmeet Electric Co., Ltd. and its subsidiaries (hereinafter referred to as "MEGMEET" or "the Company"). Unless otherwise specified, its scope is consistent with the consolidated financial statements scope of the annual report of MEGMEET (Stock Code: 002851.SZ).

Definitions & Terminology

For ease of expression and reading, Shenzhen Megmeet Electric Co., Ltd. is referred to as "MEGMEET", "the Company", "our Company" or "we" in this report. The full names of subsidiaries mentioned in this report are set out in the table below.

Definitions	Definitions
the Company, the Group, we / us, MEGMEET	Shenzhen Megmeet Electrical Co., Ltd.
Zhuzhou Electric	Zhuzhou Megmeet Electric Co., Ltd., a wholly-owned subsidiary of the Company
Yihe Sanitary Ware	Zhejiang Yihe Sanitary Ware Co., Ltd., a wholly-owned subsidiary of the Company
Hunan Electric	Hunan Megmeet Electric Technology Co., Ltd., a wholly-owned subsidiary of the Company
Blue Valley	Hunan Blue Valley Technology Co., Ltd., a wholly-owned subsidiary of the Company
Shenzhen Welding	Shenzhen Megmeet Welding Technology Co., Ltd., a majority-owned subsidiary of the Company
Wolji	Wolji International Technology Development (Shenzhen) Co., Ltd., a wholly-owned subsidiary of the Company
Liziwei	Guangdong Liziwei Electric Technology Co., Ltd., a majority-owned subsidiary of the Company
Hangzhou Chenkong	Hangzhou Chenkong Intelligent Control Technology Co., Ltd., a majority-owned subsidiary of the Company
Hangzhou Qianjing	Hangzhou Qianjing Technology Co., Ltd., a majority-owned subsidiary of the Company
Guangdong Tianjin	Guangdong Tianjin Electronic Technology Co., Ltd., a majority-owned subsidiary of the Company
Hunan Maigu	Hunan Maigu Technology Co., Ltd. a majority-owned subsidiary of the Company
Oulide	Zhejiang Oulide Precision Technology Co., Ltd., a majority-owned subsidiary of the Company
Shenzhen Control	Shenzhen Megmeet Control Technology Co., Ltd., a wholly-owned subsidiary of the Company
Hunan Weilang	Hunan Weilong Technology Co., Ltd., a wholly-owned subsidiary of the Company

Data Statement

Financial data contained in this report are derived from the Company's audited financial statements. Other data are obtained from internal documents and consolidated statistical information of the Group. Unless otherwise stated, all currencies and amounts mentioned in this report are denominated in Renminbi (RMB).

Reporting Basis

- Self-Regulatory Guidelines for Listed Companies No.17 – Sustainability Reports of the Shenzhen Stock Exchange
- Self-Regulatory Guidance for Listed Companies No.3 – Preparation of Sustainability Reports of the Shenzhen Stock Exchange
- Global Reporting Initiative Standards (GRI Standards)
- Guidelines for Chinese Enterprise Sustainability Reports (CASS-ESG 6.0) – General Framework
- United Nations Sustainable Development Goals (SDGs), etc.

Confirmation and Approval

This report was approved by the Company's Board of Directors on April 28, 2026, and released concurrently with the Annual Report.

The Board of Directors undertakes to supervise the contents of this report, ensure that it contains no false records or misleading statements, and shall be responsible for the authenticity, accuracy and completeness of the contents.

The risks and opportunities analyzed in this report will exert impacts on the Company over different time horizons. The timeframes for such impacts are defined as follows: Short-term (0–1 year), Medium-term (1–5 years), and Long-term (more than 5 years). Such definitions are consistent with the timeframes adopted in the Company's strategic planning.

Report Access

This report is available for viewing and downloading

[the Company's official website \(www.megmeet.com\)](http://www.megmeet.com)

[the Shenzhen Stock Exchange website \(www.szse.cn\)](http://www.szse.cn)

[the CNINFO \(www.cninfo.com.cn\).](http://www.cninfo.com.cn)



Message from the Chairman

In 2025, the global manufacturing industry is undergoing profound restructuring, with digitalization, intelligentization, green transition and globalization jointly reshaping the industrial competitive landscape.

Faced with this new stage of development, MEGMEET has consistently stayed focused on its core business of electrical automation. Adhering to power electronics and automatic control as its core technologies, the Company continues to make in-depth efforts across six business segments: power supply products, industrial automation, new energy transportation, intelligent equipment, intelligent home appliance control systems and precision connectors. We are committed to enabling more efficient electricity utilization, continuous improvement in production efficiency, and a more comfortable and clean living environment.

Over the past year, we have further strengthened our commitment to technological innovation as the core pillar of high-quality corporate development. In 2025, MEGMEET was successfully recognized as a “National Enterprise Technology Center”. This recognition not only acknowledges the Company’s long-term high R&D investment and continuous technological innovation efforts, but also reinforces our development philosophy: “refining technologies through R&D, deploying businesses with technologies, building platforms on business strengths, and supporting R&D with platform advantages”. Furthermore, MEGMEET ranked among the “Global Top 3 OEM/Embedded Power Supply Vendors by shipment volume in the MTC 2024 rankings” for the first time on the world’s authoritative power supply market list. This achievement demonstrates the continuous enhancement of our technical depth, large-scale supply capacity and international competitiveness in the power electronics sector.

We also deeply recognize that the long-term value of an enterprise stems not only from technological breakthroughs, but also from consistent commitment to green development and industrial responsibilities. In early 2025, MEGMEET was accredited as a “National Green Factory” and a

“National Demonstration Enterprise for Green Supply Chain”. Meanwhile, Yihe Sanitary Ware, our subsidiary, was also awarded the title of National Green Factory. In terms of green supply chain management, the Company adopts life cycle assessment (LCA) software to simulate environmental impacts throughout the entire product life cycle starting from the initial product design stage. We further integrate green concepts into all links including supplier admission, manufacturing operations and customer empowerment. In terms of production and operation, we continue to advance the implementation of a green, efficient and sustainable manufacturing model through highly automated production lines, intelligent energy management systems, energy consumption monitoring and production process optimization.

In 2025, we have also gained a clearer insight that the integration of intelligentization and low-carbon development has become a pivotal direction for manufacturing upgrading. Relying on its cutting-edge technology layout and innovative practices in the smart home appliance sector, MEGMEET was awarded the “Emerging Excellent Supplier Award” by Haier Smart Home. In response to industry demands for high energy efficiency, scenario-based intelligence and improved user experience, the Company has promoted in-depth integration of artificial intelligence technologies and variable-frequency energy-saving solutions. Driven by the dual engine of “AI + Variable Frequency”, we support our customers in upgrading from “device functionality” to “user-centric experience”. This achievement not only reflects the Company’s technological strength, but also represents MEGMEET’s continuous exploration into intelligent manufacturing and eco-friendly lifestyles.

In terms of global development, MEGMEET has consistently adhered to the internationalization strategy of “business-driven development, local R&D and local manufacturing”. In 2025, the Company was awarded the “Global Expansion Pioneer Award” by Hisense Group. At the Global Supply Chain Partner Summit, MEGMEET shared its latest practices in global layout, R&D innovation and supply chain collaboration. At present, the Company has established production bases in overseas regions including Thailand and India, continuously improving local supply systems and enhancing delivery efficiency and service response speed. Meanwhile, MEGMEET keeps expanding its industrial chain layout from components to system-level solutions. Our businesses cover multiple segments including AI data center power supplies, new energy rail transit, energy storage and charging systems & components, as well as smart home appliances. We are accelerating our transformation from “Made in China” to “Intelligent Manufacturing Worldwide”.

Looking back on the past year, we are pleased to see that MEGMEET has achieved continuous new progress on the path of “specialized, refined, distinctive and innovative development”. In 2025, three subsidiaries of the Company were recognized as national-level “Specialized, Refined, Distinctive and Innovative Little Giant Enterprises”. This achievement further demonstrates MEGMEET’s solid accumulation in core technologies, industrial layout and ecological collaboration. These accomplishments reinforce our firm belief that only by pursuing breakthroughs in core technologies, adhering to platform-based and collaborative development, and embracing openness and win-win cooperation, can we continuously enhance resilience and consolidate competitive advantages amid a complex and volatile external environment.

Looking ahead, MEGMEET will continue to implement the development strategy of “expanding horizontally for scale and deepening vertically for strength”. We will further increase investment in core technology R&D, advance forward-looking industrial chain layout across upstream and downstream sectors, continuously improve our technology platform enabling system, and join hands with ecological partners to build new industrial advantages. We will keep driving development through innovation, guide transformation with green development, enhance resilience via globalization, and create more sustainable long-term value through responsible operations. MEGMEET will continue to make greater contributions to customers, employees, partners, society and the environment.



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Corporate Strategy

- Maintain high-intensity continuous R&D investment and continuously optimize platform development.
- Achieve horizontal business expansion and vertical enhancement of segmented products.
- Make forward-looking layouts for future industries and realize multi-polar growth to balance risks.

About MEGMEET

Shenzhen Megmeet Electrical Co., Ltd.(Stock Code: 002851.SZ) was founded in 2003. Centered on core technologies of power electronics and automatic control, Megmeet Electric is committed to improving the efficiency of human electricity utilization, optimizing living environments, continuously boosting production efficiency and enhancing the quality of human life. Actively responding to the global new energy revolution and advancing the achievement of carbon peaking and carbon neutrality goals, the company aspires to become a world-leading provider of products and solutions in the field of electrical automation.

As of the reporting period, the Group had 8,894 employees on payroll, including 3,090 R&D personnel. The Group holds more than 2,400 valid patents and copyrights in total.

The Group owns over 40 subsidiaries worldwide, with 10 R&D centers and 9 production bases under its global layout.

Corporate Vision

To become a world-leading provider of electrical automation products and solutions.

Corporate Mission

To utilize electric energy efficiently and create a comfortable living environment for humanity.

Corporate Philosophy

Focus on core technologies and deliver optimal components and solutions for customers.

Corporate Responsibility

Abide by laws and regulations, care for employees, conserve resources, and protect the environment.

Corporate Culture

Leadership, Openness, Collaboration and Innovation.

8800+

Number of Employees

2400+

Total Valid Patents and Copyrights

10

R&D Centers

3000+

Number of R&D Personnel

40+

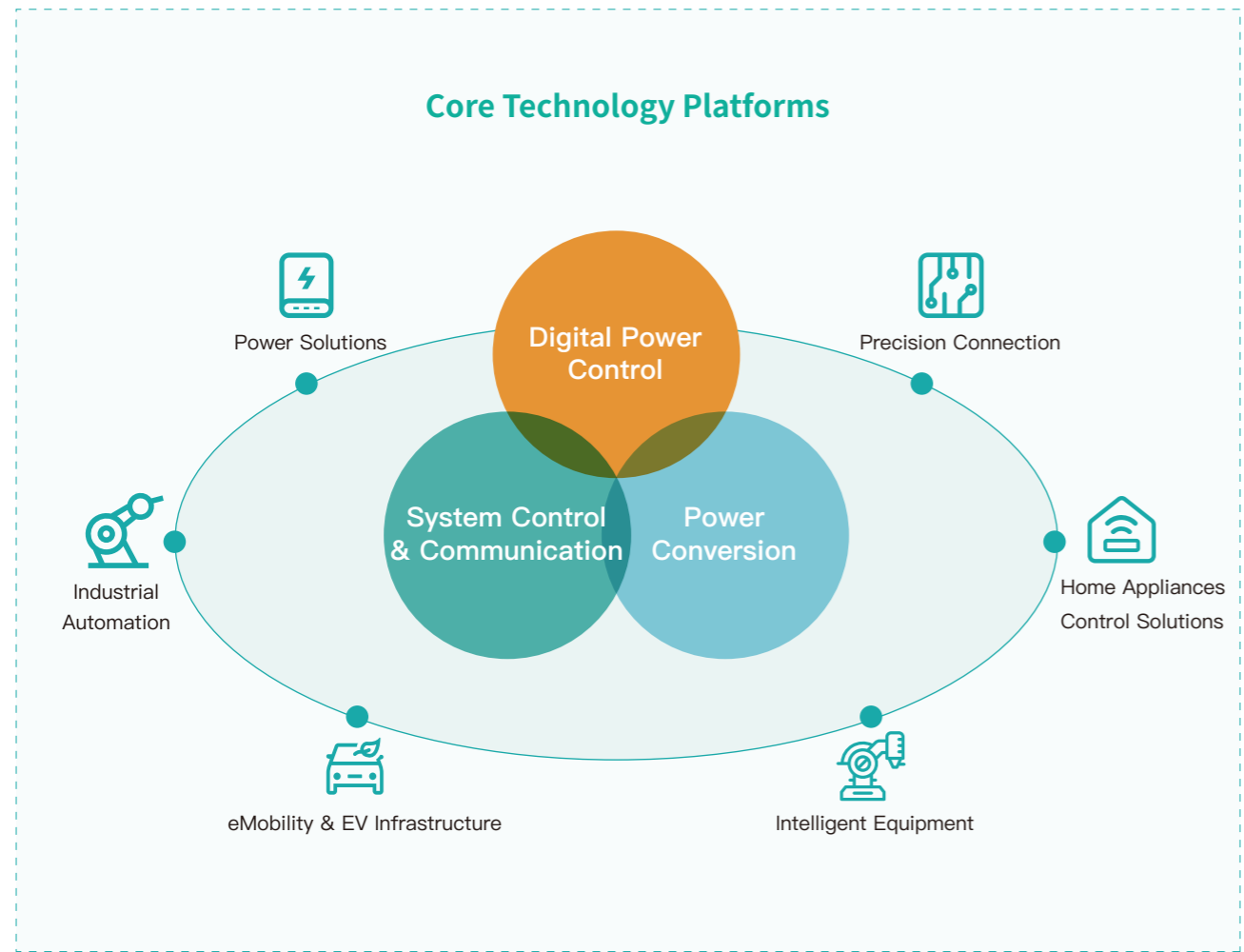
subsidiaries worldwide

9

Manufacturing Bases

Principal Business and Core Technologies

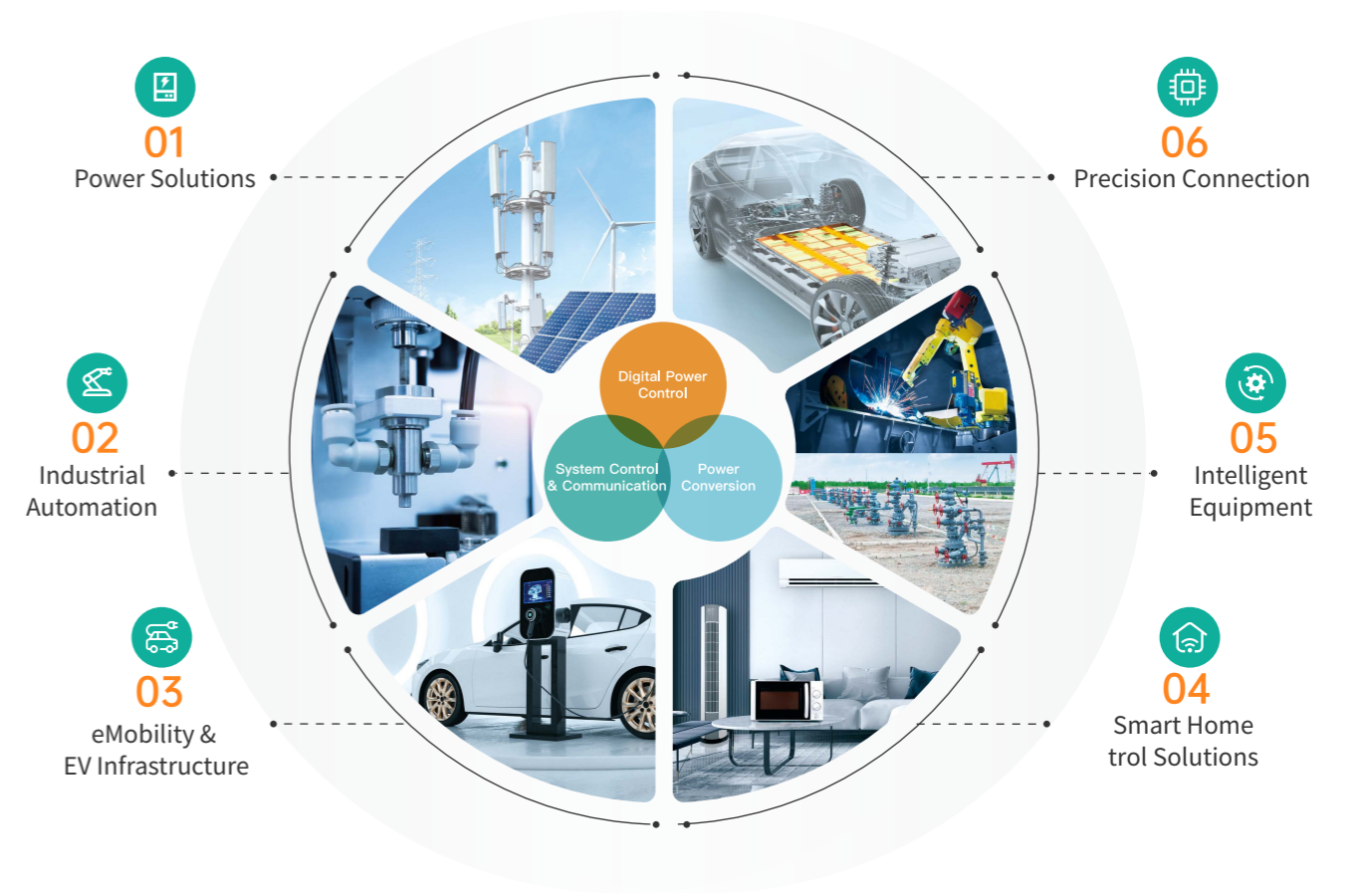
MEGMEET's products are widely applied in numerous consumer and industrial sectors, including household and commercial displays, inverter home appliances, smart sanitary ware, medical devices, communications, data centers, renewable energy applications, new energy vehicles, rail transit, industrial automation, intelligent manufacturing equipment, and precision connection components. The Company continues to expand in the field of electrical automation, extend its technical scope, enrich product categories, and steadily penetrate and develop into emerging sectors.



After years of R&D investment, the Company has successfully established technical platforms including power conversion hardware platform, digital power control platform, as well as automatic control and communication software platform. It continues to expand towards electromechanical integration and thermal management integration. Through continuous cross-application of technical platforms, the Company has completed diversified product layouts in various fields, formed a cross-industrial production and operation model, and continuously strengthened the technical foundation for the rapid expansion of new products.

Classified by application fields, the Company's products fall into six major categories: intelligent home appliance electronic control products, power supply products, new energy & rail transit components, industrial automation equipment, intelligent equipment, and precision connectors.

Among them, the segmented products of intelligent home appliance electronic control products include various inverter home appliance power controllers, air-source heat pump controllers, complete smart sanitary ware and components, etc. Power supply products cover medical device power supplies, network energy products such as telecom and data center power supplies, power equipment power supplies, industrial DIN rail power supplies, core components for photovoltaic, energy storage and charging piles, LED display power supplies, display-related power supplies, OA power supplies, etc. New energy & rail transit components include new energy vehicle power electronics integration modules (PEU), motor control units (MCU), on-board chargers (OBC), DCDC modules, vehicle-mounted compressors, electrical components for rail transit vehicle air conditioners, core components of thermal management systems, etc. Industrial automation products consist of servo & inverter drives, programmable logic controllers (PLC), hydraulic servo pumps, linear motors, encoders, etc. Intelligent equipment includes digital welding machines, industrial microwave equipment, intelligent oil extraction equipment, etc. Precision connectors include special-shaped magnet wires, coaxial cables, ultra-fine flat wires, FFC, FPC and other products.



Six Core Business Groups

MAIN PRODUCTS



Power Solutions

Telecom Power	Data center power supply	Electric Power
Medical Power	Display Power	LED Power
Laser Power	OA Power	Flat Panel Power
Bi-directional Inverters for Portable Power	Solar & BESS & EV Charging Solution	



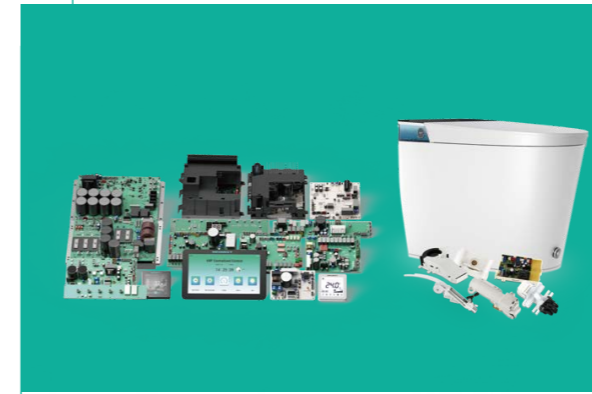
Intelligent Equipment

Intelligent Welding	Industrial Microwave
Polysilicon Water Quenching Equipment	Automatic Car Washing Machine
Submersible-Progressing Cavity Pump	Intelligent Lifting Devices



Industrial Automation

Variable Frequency Drive	Linear Motors
Servo System	Internal Gear Pump
Control System	IoT Solution
Encoder	Linear Motors



Smart Home Control Solutions

Residential & Commercial A/C Controller	Heat Pump Controller
Vehicle A/C Controller	Solar A/C Controller
Mini Compressor Controller	Refrigerator & Washer/Dryer Controller
Residential & Commercial A/C Controller	Smart Bidet
RF Thawing System	



eMobility & EV Infrastructure

OBC & DC-DC	Inverter	E-Compressor
TV EDU	Railway A/C Controller	Railway VFD
Power Electronic Unit (2-In-1, 3-In-1)	Construction Machinery Controller	Thermal Mgmt System
Light Electric Vehicle Motors, Inverters, and Charging System	Intelligent Active Hydraulic Suspension (-AHS)	



Precision Connection

FFC	FPC
Coaxial Cable	CCS
Litz Wire	Peek Wire

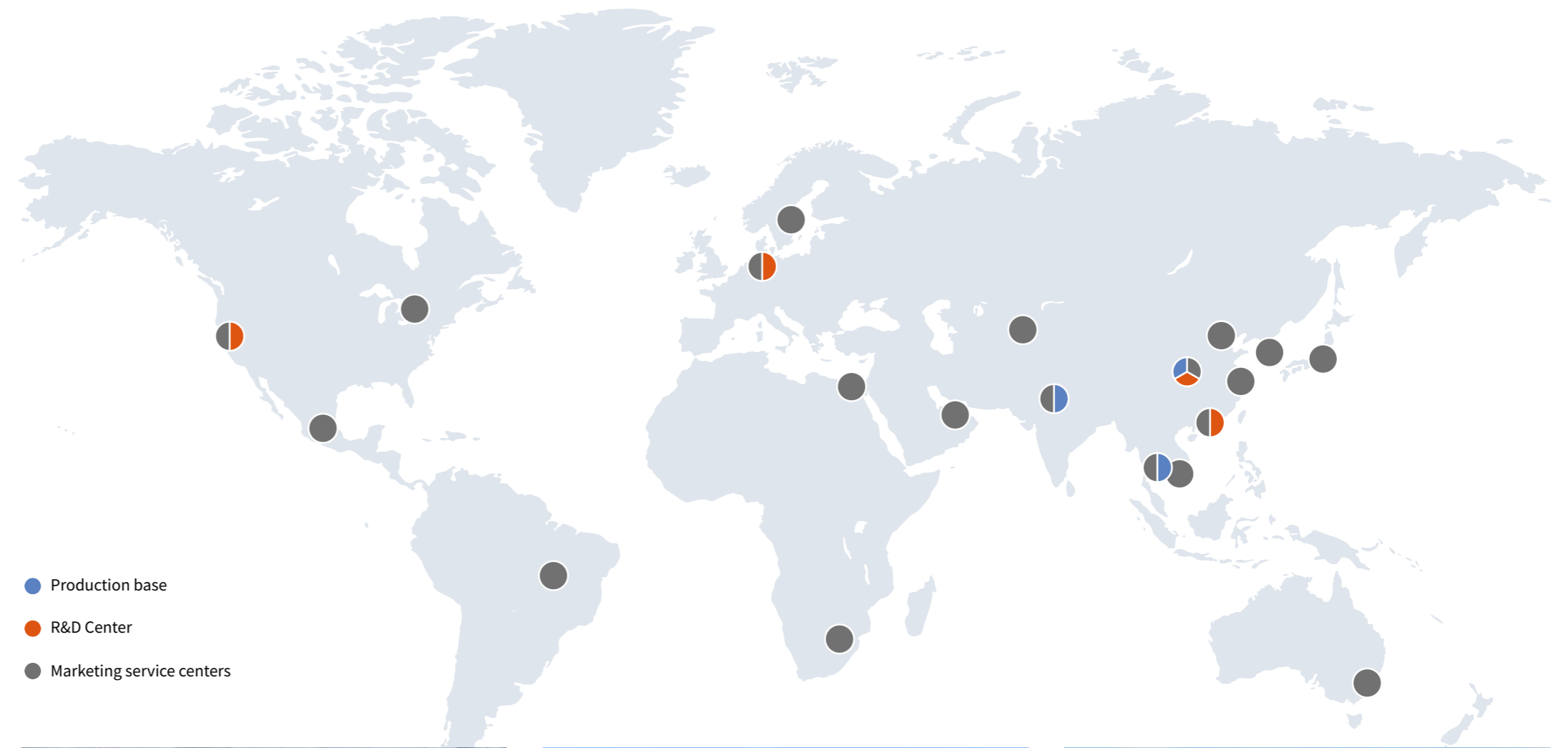
Global Strategic Layout & Expansion

MEGMEET has established a robust platform for research and development, manufacturing, marketing and services. Worldwide, the Company operates 10 R&D centers, 24 marketing service centers and 9 production bases.

MEGMEET regards accelerating overseas layout and expanding overseas markets as a key strategic direction for future development. At present, the Company has established overseas R&D centers in the United States and Germany, which specialize in forward-looking technology research and development, and continuously strengthen technological reserves for the Company's future technological development.

The Company has invested in capacity construction in Thailand, India and other regions to optimize its global supply chain layout, so as to meet customers' requirements for overseas manufacturing and delivery.

It has set up representative offices in the United States, Germany, Poland, Romania, Turkey, South Korea, Japan, India, Thailand, South Africa and other countries. The Company actively seeks opportunities for in-depth cooperation with leading international customers in various regions and industries, promotes all businesses to enter the international market, and continuously expands its global sales revenue scale.



Zhuzhou,China



Zhuzhou II,China



Heyuan,China



Yiwu,China



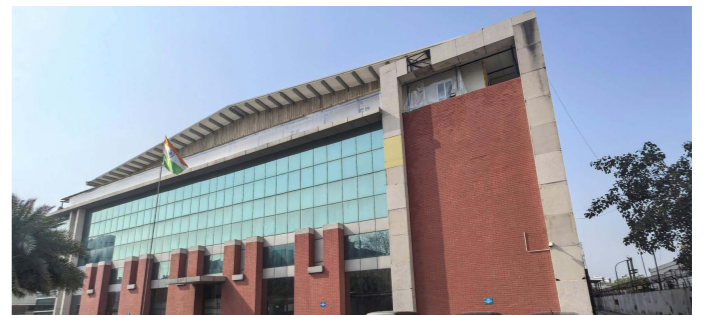
Hangzhou,China



Taizhou,China



Rayong,Thailand



Noida,India

Corporate Development History

MEGMEET focuses on core technologies of power electronics and relevant control systems, and continuously expands into interdisciplinary and emerging sectors related to its core technologies. Starting from the initial TV power supply business, the Company has gradually expanded into consumer power controllers, industrial power supplies, industrial control products, consumer terminals and industrial equipment. It has also upgraded from circuit board products to module products, system products and integrated products. Continuing to extend its presence in electrical automation, the Company broadens its technical scope, optimizes product portfolio layout, and steadily penetrates and expands into new fields.

Driven by the expansion of product businesses, the Company has gradually extended from the household TV market to numerous consumer and industrial sectors, including commercial displays, inverter home appliances, smart sanitary ware, medical devices, communications, intelligent equipment, new energy vehicles, rail transit, industrial microwave applications, intelligent oil extraction equipment, thermal management and motor-related control systems. The continuous business expansion has generated incremental spillover effects, enabled the Company to explore more market demands and enter additional segmented fields.

Through over 20 years of operational practice and experience accumulation, MEGMEET has developed its unique business model, product philosophy and market development methodology. The Company expands technologies and products through organic internal growth and external expansion, targets high-end industry directions and future industrial trends, conducts forward-looking layouts, makes prudent planning, carries out orderly investment, accumulates technological reserves and competitive advantages, and gradually unlocks growth potential to support sustainable business growth in the future.

2003

MEGMEET was established, with a focus on flat panel display power supply, stimulating the world into a new era of vision



2011

Started the R&D of core components for electric vehicles



2017

IPO: Shenzhen SME Board (Stock Ticker: 002851.SZ)



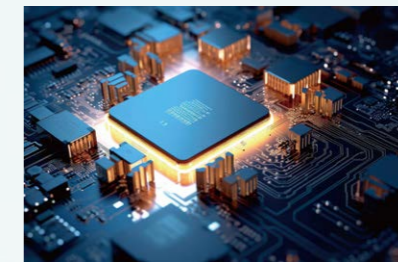
2020

Listed as Top 200 Small & Medium Companies by Forbes Asia Pacific



2022

Formed MEGMEET's six core business groups



2007

Entered the field of industrial automation and industrial power supply



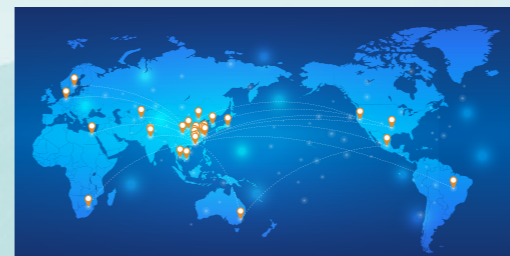
2014

Established our Global Manufacturing Center, and entered the market of smart home control and industrial welding machine



2019

Global footprint expanded, with R&D and Manufacturing Centers established both domestically and internationally



2024

Expanded global footprint: Changsha global R&D center, Thailand-manufacturing base, Hangzhou manufacturing base, Breakthrough innovations validating corporate strategy



Annual Honors

Affiliated Company	Issuing/Competent Authority	Honors & Awards	Grade
Shenzhen Megmeet Electrical Co., Ltd.	China Machinery Industry Federation (CMIF)、 Chinese Society for Mechanical Engineering (CSME)	China Machinery Industry Science and Technology Award First Prize, Science and Technology Progress Award	National Grade
Shenzhen Megmeet Electrical Co., Ltd.	NDRC (National Development and Reform Commission)	Shenzhen Electric National Enterprise Technology Center	National Grade
Hangzhou Qianjing Technology Co., Ltd.	Department of Economy and Information Technology of Zhejiang Province	Zhejiang High-quality Manufacturing Products	Provincial Grade
Hangzhou Qianjing Technology Co., Ltd.	Department of Economy and Information Technology of Zhejiang Province	Qianjing Enterprise Research Institute for Rodless Intelligent Oil & Gas Production Equipment, Zhejiang Province	Provincial Grade
Shenzhen Megmeet Electrical Co., Ltd.	Department of Industry and Information Technology of Guangdong Province	Shenzhen Electric – Guangdong Provincial Industrial Design Center	Provincial Grade
Zhuzhou Megmeet Electric Co., Ltd.	Hunan Federation of Enterprises and Industrial Economics	Top 100 Manufacturing Enterprises in Hunan Province 2024	Provincial Grade
Hunan Megmeet Electric Technology Co., Ltd.	Hunan Provincial Department of Industry & Information Technology	Provincial Enterprise Technology Center of Hunan Province	Provincial Grade
Zhuzhou Megmeet Electric Co., Ltd.	Hunan Provincial Development and Reform Commission	Hunan Provincial Enterprise Technology Center	Provincial Grade
Hunan Megmeet Electric Technology Co., Ltd.	Changsha Municipal Science and Technology Bureau	Changsha Sci-Tech Achievement Transformation Pilot Test Platform	Municipal Grade
Shenzhen Megmeet Electrical Co., Ltd.	Shenzhen Municipal Administration for Market Regulation	Shenzhen Electric – Grade A Enterprise for Synchronized R&D and Standardization	Municipal Grade
Hunan Megmeet Electric Technology Co., Ltd.	Changsha Municipal Science and Technology Commission	Advanced Unit for Newly Established R&D Institutions (2024)	Municipal Grade
Hunan Megmeet Electric Technology Co., Ltd.	General Office of Changsha Municipal People's Government	Top 50 Newly Established R&D Institutions in Changsha (2023)	Municipal Grade

363
Honors & Awards Received by the Company

51
National & International awards

83
Provincial & Ministerial Level

53
Municipal Level



Compliance Founda- tion, Steady Distance Ahead

MEGMEET regards governance capability as the core engine for sustainable development. Adhering to the principles of scientific decision-making, transparent operation and controllable risks, it has established a governance system highly compatible with the transformation of the electrical industry. By optimizing the board structure, further applying digital governance tools, and strengthening integrity culture and compliance mechanisms, the company has comprehensively improved decision-making efficiency, risk management and control, and trust from stakeholders.

SDGs Goals Responed by MEGMEET in this Chapter



The topics corresponding to this chapter

Due Diligence, Stakeholder Communication, Sustainable Development Management, Anti-commercial Bribery and Anti-corruption, Anti-unfair Competition

1、Governance	19
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7、Anti-Unfair Competition	28



1 Governance

MEGMEET Electric Co., Ltd. strictly complies with the requirements of laws, regulations and normative documents including 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 *Listing Rules of the Shenzhen Stock Exchange*, and the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 1 – Standardized Operation of Main Board Listed Companies*. The Company has formulated internal management systems including the *Articles of Association of Shenzhen Megmeet Electric Co., Ltd.* (hereinafter referred to as the *Articles of Association*), and established an efficient corporate governance structure consisting of the General Meeting of Shareholders and the Board of Directors featuring clearly defined powers and responsibilities, coordination and checks and balances, laying a solid foundation for the standardized and stable operation of the Company.

During the Reporting Period, the Company adjusted the establishment of its Board of Supervisors based on the optimization of its corporate governance structure. Prior to the implementation of such adjustment, the Board of Supervisors strictly performed its duties in accordance with relevant laws, regulations and the Articles of Association to ensure that its supervisory functions were fully fulfilled. Following the abolition of the Board of Supervisors, the relevant duties originally undertaken by the Board of Supervisors have been assumed by the special committees of the Board of Directors. Through optimizing the supervisory mechanism and strengthening the governance functions of the Board of Directors, the Company has further improved its decision-making and supervision system, and enhanced its governance efficiency and standardized operation level.

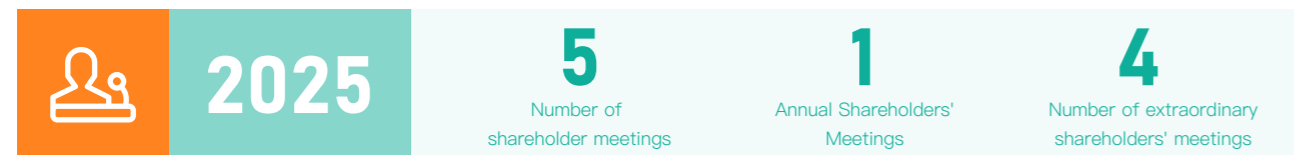
The Board of Directors of MEGMEET has established four special committees, namely the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee and the Strategy Committee. During the Reporting Period, each special committee of the Board of Directors conscientiously performed its duties in accordance with the *Code of Corporate Governance for Listed Companies* and the Company's *Working Rules for Special Committees of the Board of Directors*, gave full play to its professional advantages and functional roles, and provided sound support for the decision-making of the Board of Directors.

In accordance with the requirements of the *Code of Corporate Governance for Listed Companies*, the Company's Board of Directors has established four special committees, namely the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee, which are respectively responsible for the Company's development strategy, auditing, as well as the nomination, selection, administration and assessment of directors and senior management personnel.

General Meeting of Shareholders

MEGMEET is committed to improving its corporate governance structure, clarifying the statutory duties of the General Meeting of Shareholders as the supreme authority, and formulating the *Rules of Procedure for the General Meeting of Shareholders* to regulate the authority, convening procedures and meeting methods of the General Meeting. To ensure the equal participation rights of all shareholders, the company provides both on-site meetings and online voting channels when convening the General Meeting of Shareholders, enabling shareholders to exercise their voting rights conveniently and effectively. Through sound institutional arrangements and transparent deliberative procedures, the company effectively safeguards the information rights, participation rights and decision-making rights of minority shareholders, and vigorously protects the legitimate rights and interests of the majority of investors.

In 2025, the Company convened a total of 5 meetings of the General Meeting of Shareholders, including 1 annual general meeting and 4 extraordinary general meetings. The procedures for convening and holding the meetings, the qualifications of attendees, the voting procedures, voting results and disclosure of resolutions were all in compliance with the provisions of applicable laws, regulations and the *Articles of Association*.



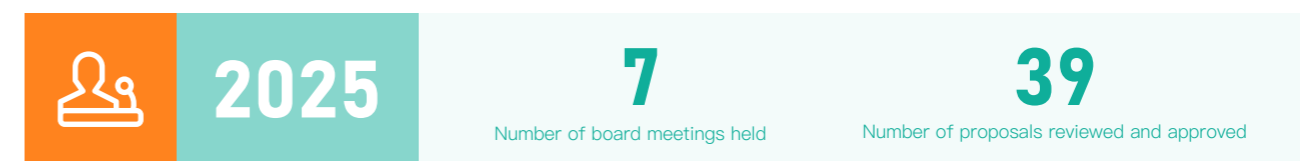
Board of Directors

The Board of Directors of MEGMEET is responsible to the General Meeting of Shareholders. It has formulated the *Rules of Procedure for the Board of Directors*. The Board has established special committees under it, which are respectively responsible for the Company's development strategy, auditing, as well as the nomination, selection, administration and assessment of directors and senior management personnel. In accordance with the *Code of Corporate Governance for Listed Companies* and the Company's *Working Rules for Special Committees of the Board of Directors*, the Board and its special committees earnestly performed their duties, gave full play to their professional advantages and functional roles, and provided sound support for the decision-making of the Board. During 2025, the Board convened a total of 7 meetings and examined and approved 39 proposals.

The Company stipulates in its *Working System for Independent Directors* that independent directors shall account for at least one-third of the Board members, and at least one independent director shall be an accounting professional. Independent directors shall perform their duties independently free from the influence of the Company's controlling shareholders, actual controllers, and other entities or individuals with material interests in the Company, and may express opinions on all material matters of the Company.

The Company's Board of Directors consists of 6 directors, including 2 independent directors. Among them, 3 directors are under the age of 45, and 3 directors have a tenure of less than five years. The Company has one female director, accounting for 16.67% of the total Board members.

The size and composition of the Board of Directors comply with the requirements of laws and regulations. The Company has fully considered diversification to enhance the competence of the Board and its overall corporate governance level.



Executive Compensation

In accordance with the *Labor Contract Law* and other relevant laws and regulations, MEGMEET has formulated differentiated remuneration systems in light of the distinct job nature of directors, senior management personnel, ordinary employees and front-line workers in production departments respectively.

The remuneration schemes for the Company's directors shall be submitted by the Remuneration and Assessment Committee to the Board of Directors for approval, and shall be implemented upon adoption by vote at the General Meeting of Shareholders. The remuneration for other senior management personnel shall be submitted by the Remuneration and Assessment Committee to the Company's Board of Directors for approval before implementation.

As a special committee under the Board of Directors, the Remuneration and Assessment Committee is mainly responsible for formulating and reviewing the remuneration policies and schemes for the Company's directors and senior management personnel, as well as formulating assessment criteria for directors and senior management personnel and conducting relevant assessments.

In addition to directors and senior management personnel, pursuant to the Company's remuneration management system, the remuneration of ordinary employees shall consist of basic salary, post allowance, year-end bonus and project bonus; the remuneration of front-line workers in production departments shall consist of basic salary, post allowance, overtime pay and full attendance award. Among these components, basic salary and post allowance shall be determined based on the employee's job level and academic qualification, and shall be adjusted annually according to such factors as the employee's individual assessment results and the Company's performance. The year-end bonus shall be distributed mainly based on the profitability of the Company in the current year, with reference to such factors as the employee's individual job level and personal assessment.

To further standardize the compensation management of our Directors and senior management, establish a sound and effective incentive and restraint mechanism, ensure the effective discharge of their duties and obligations by Directors and senior management, enhance our operational and management efficiency, and better promote our healthy and sustainable development, MEGMEET has adopted the *Remuneration Management Policy for Directors and Senior Management*.

	Number of Directors, Supervisors, and Senior Management	Total Remuneration of Directors, Supervisors, and Senior Management (RMB ten thousand)	Total Employee Remuneration (RMB ten thousand)	Remuneration Ratio of Directors, Supervisors, and Senior Management (%)
Year 2023	10	750.40	111,789.48	6.7%
Year 2024	10	781.52	142,974.50	5.5%
Year 2025	11*	676.27	177,543.47	3.8%

Note*: During the Reporting Period, one independent director of the Company completed their term and left office; due to the dissolution of the supervisory board, three supervisors left office, among whom one was transferred to serve as an employee representative director.

2 Due Diligence

MEGMEET actively practices responsible business conduct and green development, and conducts sustainability due diligence covering the entire supply chain. The Company identifies and assesses potential environmental, social and governance risks along its upstream and downstream supply chains, takes proactive intervention measures to prevent risks before they arise, and promotes sustainable development across its entire supply chain.

Methods and Scope of Due Diligence

The Company, together with the Sustainable Development Committee and external professional institutions (third-party certification bodies), conducts comprehensive identification and assessment of sustainability-related risks.

MEGMEET's due diligence scope covers all enterprises and institutions in the supply chain, including raw material procurement, manufacturing and logistics links of core business sectors such as new energy, rail transit and industrial automation. The Company focuses on suppliers' environmental compliance (including carbon emissions and resource consumption) and labor rights protection.

In the field of product research and development as well as technological innovation, the Company's due diligence mainly targets emerging technological products including data center power supplies and thermal management products, and assesses their whole-life-cycle environmental impacts (such as energy efficiency and e-waste disposal).

For overseas operations, in line with the development strategy of overseas businesses and the operation status of overseas R&D centers and manufacturing bases, the Company analyzes and assesses risks relating to local environmental regulations and community relations.

Risk Identification and Response

Based on summaries of communication with stakeholders and findings from third-party audits, we adopt the risk assessment matrix method to conduct a comprehensive analysis of risks across the entire operational chain of the Company.

Risk Assessment Matrix Through quantitative and qualitative analysis, high-priority risks including climate change, resource scarcity and labor disputes are identified.

Third-party Audit The Company entrusts international certification bodies to conduct ESG audits on supply chain enterprises, so as to ensure compliance with international standards including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, IATF 16949 Automotive Quality Management System and ISO 13849 Functional Safety.

Stakeholder Communication The Company collects sustainability demands and improvement suggestions through investor research, employee questionnaires and community interviews.

Risk Response Measures

For high-risk areas in environmental and social aspects, we adopt the following measures for timely intervention and risk avoidance.

Supply Chain Greening: The Company signs sustainability agreements with suppliers, requiring them to gradually reduce carbon emission intensity starting from 2025. For enterprises that breach the "red lines" of the sustainability agreements (MEGMEET's Code of Conduct for Sustainable Business Conduct), an "access prohibition mechanism" shall be implemented.

Overseas Compliance Management: The Company has established environmental management systems at manufacturing bases in Thailand, India and other countries, and reduces cultural conflicts and community risks through localized operations.

MEGMEET declares that it strictly abides by the principles of the Responsible Minerals Initiative (RMI). The Company conducts due diligence on the use of conflict minerals in the supply chain by adopting the Conflict Minerals Reporting Template (CMRT), and completes and submits the template in accordance with customer requirements.

The Company firmly refuses to procure or support the use of any conflict minerals that directly or indirectly fund or support regions affected by armed conflicts. The Company conducts audits on suppliers' use of conflict raw materials every two years.

3 Stakeholder Communication

MEGMEET fully recognizes that sustainable development relies on close cooperation and communication with various stakeholders. To practice the concept of sustainable development, the Company attaches great importance to communication and interaction with stakeholders. Adhering to an open and transparent attitude at all times, the Company actively listens to demands from all parties, integrates them into corporate strategy and daily operations, and jointly promotes the achievement of sustainable development goals.

The Company has established and implemented a stakeholder communication system to ensure smooth communication processes.

The main topics, methods and channels of our communication with various stakeholders are shown in the table below:

Stakeholders	Representatives of the Stakeholders	Main Topics	Communication Methods and Channels
Shareholders	Company Shareholders	Corporate Governance, Compliance Operations, Economic Performance, Anti-Corruption, R&D and Innovation, Workplace Safety, Industrial Collaboration and Development	The Company convenes general meetings of shareholders; discloses information via its official corporate website and WeChat official account; publishes annual reports, ESG reports, and financial performance reports; and engages with investors through various channels including roadshows, research visits, telephone calls, emails, and the Shenzhen Stock Exchange "Easy Interaction" platform.
Employees	Employee's representation	Employee Rights and Benefits, Occupational Health and Safety, Product Quality and Safety, Talent Development and Training, Diversity and Equal Opportunity, Information Security and Privacy Protection	Employee health examinations; Employee engagement activities; Employee training programs; Employee handbook.
Clients	Contact persons for customer procurement, quality control, energy and low-carbon departments	Product Quality and Safety, Responsible Supply Chain, Circular Economy, Responsible Mineral Sourcing Due Diligence, Product Carbon Footprint, Clean Technology Opportunities	Information disclosure via the Company's official website and WeChat official account; Customer inquiries and complaints handling; Technical seminars; Customer satisfaction surveys; Routine inspections and customer audits.
Government and regulatory agencies	The local government where the company operates, and the Shenzhen Stock Exchange	Compliance Operations, Fair Competition, Anti-Corruption, Product Carbon Footprint, Environmental Management System	Information disclosure; Cooperation with regulatory inspections; Participation in government research and survey activities;
Suppliers and partners	Suppliers of core raw materials such as cathode materials and anode materials	R&D and Innovation, Supply Chain Security, Information Security and Privacy Protection, Product Quality and Safety, Workplace Safety, Occupational Health and Safety	Telephone communication; Ad-hoc site visits; Academic seminars, industry exhibitions, exchange meetings, and industry training.
Community, the public, and the media	Non-governmental organizations, charitable organizations, social organizations, mainstream media	R&D and Innovation, Product Quality and Safety, Economic Performance, Philanthropy and Volunteerism, Community Engagement and Development	Press releases and social media communications; Energy conservation and emission reduction activities; Pollution control and treatment; Community development projects; Charitable donations; Social welfare programs.

Investor Relations Management

The Company attaches great importance to investor relations management. It maintains communication with investors through multiple channels including its official website, new media platforms, telephone, fax, email, investor education bases, China Investor Network, as well as platforms operated by stock exchanges and securities registration and settlement institutions. Communication activities include general meetings of shareholders, investor briefings, roadshows, analyst meetings, on-site reception and seminars, so as to ensure convenient and efficient communication and promptly remove communication barriers.

Since its listing, the Company has taken the Securities Department as the dedicated communication window to maintain active interactions with investors through various channels including general meetings of shareholders, on-site investigations, investor hotlines, online performance briefings and the Interactive Easy Platform. Special personnel are assigned to maintain relevant platforms to ensure timely and effective communication. A dedicated “Investor Relations” column has been set up on the Company’s official website for releasing announcements and visitor reception arrangements, and timely responding to investor inquiries on the Interactive Easy Platform.

The Company strictly conducts information disclosure in accordance with the principles of truthfulness, accuracy, completeness, timeliness and fairness. It fulfills mandatory disclosure obligations in accordance with laws and regulations, conducts voluntary disclosure properly, continuously improves the quality and transparency of disclosure, treats all investors fairly, and safeguards investors’ right to know.

The Company’s independent directors and supervisors actively monitor the Company’s operations, financial conditions and internal control status, effectively supervise the operation of the internal control system, promote the steady development of the Company, and earnestly safeguard the interests of the Company and all shareholders, especially minority shareholders.

Principle of Compliance

Investor relations management of listed companies shall be carried out on the basis of performing information disclosure obligations in accordance with the law, and shall comply with laws, administrative regulations, rules, normative documents, industry standards, self-regulatory rules, internal rules and regulations of the Company, as well as ethical norms and codes of conduct generally observed in the industry.

Principle of Equality

When conducting investor relations management activities, a listed company shall treat all investors equally, and in particular create opportunities and facilitate participation for minority investors.

Principle of Initiative

A listed company shall proactively carry out investor relations management activities, listen to investors' opinions and suggestions, and respond to investors' demands in a timely manner.

Principle of Good Faith

In investor relations management activities, a listed company shall uphold integrity, adhere to bottom-line requirements, operate in a standardized manner, fulfill its responsibilities, and foster a sound and healthy market ecosystem.

调研

公告标题	公告时间
麦格米特: 2025年10月30日投资者关系活动记录表	2025-10-30 23:10
麦格米特: 2025年8月30日投资者关系活动记录表	2025-08-31 13:46
麦格米特: 2025年7月18日投资者关系活动记录表	2025-07-18 18:42
麦格米特: 2025年5月21日投资者关系活动记录表	2025-05-21 19:14
麦格米特: 2025年4月29日投资者关系活动记录表	2025-04-29 20:36
麦格米特: 2025年3月31日投资者关系活动记录表	2025-03-31 19:14
麦格米特: 2024年12月12日投资者关系活动记录表	2024-12-12 23:59

CNINF webside screenshot--Megmeet Investor Research Record

During the reporting period, Shenzhen Megmeet Electrical Co., Ltd. held a total of 6 investor online research and communication sessions through both online and offline channels. At the sessions, the Company’s senior management gave a detailed introduction to the Company’s operation and management, and conducted in-depth communications with investors regarding the Company’s development, new business expansion and other issues of concern to investors.

4 Double Materiality Assessment

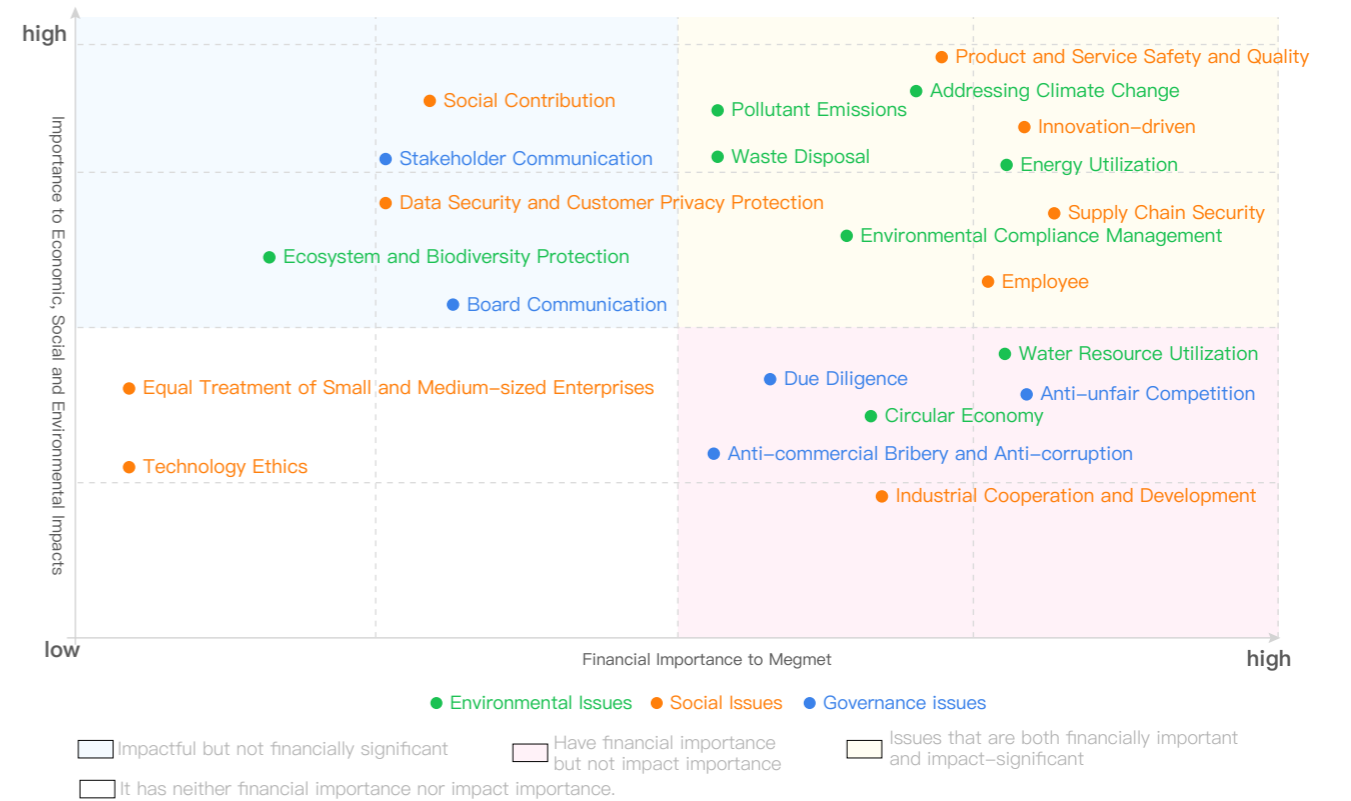
Identification and Analysis of Topics

Combined with the characteristics of its industry and business operations, MEGMEET identifies material topics that will exert significant impacts on the Company’s business model, operations, development strategy, financial position, operating results, cash flow, financing methods and financing costs in the short, medium and long term. It also assesses whether the Company’s performance on relevant topics will generate substantial economic, social and environmental impacts.

MEGMEET’s ESG Management System Construction Committee fully understands the Company’s activities and business relationships, is familiar with relevant laws, regulations and regulatory policies, analyzes industry standards and media trends, and develops a stakeholder map. Taking into account the Company’s industry characteristics, development stage, proprietary business model and value chain position, the Committee identifies topics of financial materiality or impact materiality and continuously optimizes and updates the material topic list.

The Committee conducts materiality assessment on all identified topics and invites stakeholder experts to participate in the assessment. Impact materiality of topics is evaluated mainly from four dimensions: scale, scope, irreversibility and likelihood. Financial materiality is judged primarily based on two aspects: probability of occurrence and degree of financial impact. The Committee sets reasonable thresholds for impact materiality and financial materiality respectively, and finally forms an integrated result of impact materiality and financial materiality.

Results of Material Topic Analysis



Based on the Company’s internal actual conditions and material topics disclosed in peer industry reports, the Company’s 2025 double materiality assessment results identify “Product and Service Safety & Quality”, “Climate Change Adaptation”, “Innovation-driven Development”, “Energy Utilization” and “Pollutant Emissions” as its core priority topics (i.e., topics with both financial materiality and impact materiality). The Company will continuously attach importance to these topics in sustainable development management and make key disclosures thereon in this report

As the Company’s business does not involve scientific research and technological development activities in technology-sensitive fields such as life sciences, the Company identifies “Science and Technology Ethics” as a non-material topic. In accordance with the guidelines of the Shenzhen Stock Exchange, no disclosure shall be made thereon.

5 Sustainable Development Management

In establishing its sustainable development governance structure, MEGMEET integrates objectives of each ESG dimension into strategic decision-making, organizational processes and daily operations of the Company, forming a top-down systematic management closed loop. Led by the Board of Directors, the Company clarifies governance responsibilities and strategic objectives, builds a multi-level implementation network, develops standardized management tools, and strengthens supervision and incentive mechanisms.

Decision-making Level	<p>Chairman of ESG Management System Construction Committee</p> <p>Responsible for the overall operation of the ESG Management System Construction Committee, and ensures the availability of resources required for the sustainable and effective operation of the Committee.</p>
Oversees the assessment of the Company's sustainable development impacts, risks and opportunities; guides and reviews the Company's sustainable development policies, strategies and objectives; regularly monitors the progress and completion of sustainable development goals; and approves the Company's <i>Sustainable Development Report</i> .	<p>Advisor of ESG Management System Construction Committee</p> <p>Ensures the Committee has access to required professional resources, participates in senior management interviews and provides professional suggestions to support the Committee's operation.</p>
Management Level	<p>Executive Director & Deputy Executive Director of ESG Management System Construction Committee</p> <p>Responsible for communicating with service providers, formulating ESG work plans, organizing internal staff to complete annual ESG data collection, and assisting in the compilation and smooth disclosure of the ESG Report. Cooperates with service providers to complete MEGMEET's quantitative performance indicator manual for ESG performance management, appoints responsible personnel for each ESG module, develops work guidelines and standardized processes, and ensures the sound operation of the Company's ESG management system.</p>
Manages material issues; determines and administers costs and resources (including personnel and technology) allocated for identifying, mitigating, managing and monitoring sustainable development impacts, risks and opportunities; formulates sustainable development work plans, incentive and assessment systems, and handles other sustainable development-related matters.	<p>Executive Member of ESG Management System Construction Committee</p> <p>Participates in the annual data collection for disclosure of corresponding ESG modules, takes part in ESG module management planning, and develops standardized templates and processes to facilitate smooth daily data collection and supervision.</p>
Executive Level	<p>Executive Member of ESG Management System Construction Committee</p> <p>Coordinates the compilation of the Sustainable Development Report; undertakes sustainable development management, data statistics and analysis; implements sustainable development work plans; and regularly reports work results to the Management Level.</p>

To ensure relevant personnel possess sufficient professional skills and capabilities, MEGMEET employs professionals with backgrounds in sustainable development, formulates training programmes to enhance the sustainable development competencies of management staff, and invites senior industry experts to deliver training on the latest ESG policies, development trends and best industry practices.

The Company convenes meetings of the ESG Committee on an annual basis to review the achievement of objectives and adjust strategies, ensuring that sustainability-related impacts, risks and opportunities are incorporated into the Company's strategy. Key progress is submitted to the Board of Directors for deliberation.

The Board of Directors oversees the Company's sustainability-related impacts, risks and opportunities by approving strategies, assessing risks, setting objectives, supervising implementation and reviewing performance.

MEGMEET's Sustainable Development Strategy

Based on power electronics and relevant control technologies, MEGMEET continues to increase R&D investment. The proportion of R&D expenses in current operating revenue has remained at around 11% for ten consecutive years. The Company pursues both organic growth and external expansion, continuously optimizes platform construction, promotes the integration of marketing platforms, and translates core technologies into product advantages across multiple fields.

Meanwhile, the Company emphasizes multi-polar growth and risk balancing, strives to balance the scale and development trend of each business segment, and avoids operational risks arising from cyclical fluctuations of a single product line.

As a high-tech enterprise, the Company attaches great importance to the development of its R&D system, continues to build R&D platforms, launch new products, strengthen internal operation management, and focuses on the research and development of new technologies, new products and new businesses.

In view of the characteristics of high technical barriers and accelerated technological iteration in the power electronics industry, as well as the demands during the critical period of the Company's market expansion, the Company will further strengthen R&D efforts in the future, form a positive cycle of R&D – Technology – Business – Platform, and enhance its core competitiveness.

In response to the intensifying domestic industrial competition, the Company regards accelerating overseas layout and expanding overseas markets as a key strategy. Following more than a decade of forward-looking layout, MEGMEET has established a global multi-node network integrating R&D, manufacturing and sales. Relying on cost-effective products, rapid response and high-quality services, the Company has gained a firm foothold in overseas markets, with the proportion of overseas customer demand and operating revenue increasing year by year.

At present, the Company has obtained overseas certification qualifications in multiple fields including inverter home appliances and medical power supplies. In the future, the Company will seize global market opportunities, allocate production capacity and market resources, pursue in-depth cooperation with international leading customers, and expand its global market scale.

Priority	Material Topic List	Reflection of Financial Materiality
High Materiality	Product Safety & Quality, Climate Change Adaptation, Innovation-driven Development, Energy Utilization, Pollutant Emissions	It directly affects the Company's operational safety, rigid cost expenditures, market access and core competitiveness, and exerts significant financial impacts on operating revenue, profits, compliance risks and long-term valuation.
Medium	Employees, Environmental Compliance Management, Circular Economy, Anti-commercial Bribery & Anti-corruption, Stakeholder Communication, Data Security & Customer Privacy Protection, Waste Disposal, Supply Chain Security	It is mainly related to operational efficiency, supply chain stability, internal control risks and customer trust, and exerts important impacts on cost control, business continuity and compliance management, yet does not directly determine the success or failure of short-term operations.
General	Anti-unfair Competition, Industrial Cooperation & Development, Social Contribution, Due Diligence, Equal Treatment of SMEs, Ecosystem and Biodiversity Protection	It has limited impacts on short-term financial performance and core operational indicators, focusing mainly on long-term social responsibility and ecological value, indirect brand value enhancement and risk prevention.

6 Anti-commercial Bribery and Anti-corruption

Management of Commercial Bribery and Corruption

MEGMEET strictly complies with national laws, regulations and guidelines including the *Criminal Law of the People's Republic of China* and the *Interim Provisions on Prohibiting Commercial Bribery*. The Company has formulated and implemented internal management systems including *Regulations on Investigation and Punishment of Violations of Discipline and Regulations, Measures for Administration of Sensitive Positions* and *Code of Conduct for Procurement and Procurement-related Businesses*. It adheres to anti-corruption and integrity initiatives, imposes severe penalties on illegal and irregular acts, and ensures the integrity and standardization of corporate operations.

All new employees shall sign an *Integrity Commitment* with the Company upon employment. In case of any violation, the Company will impose strict penalties, including termination of employment without compensation, or referral to relevant national authorities for disposal.

During the reporting period, MEGMEET had no major incidents of commercial bribery or corruption, nor any termination of cooperation with business partners or investigations and penalties imposed by competent authorities.

The Company adheres to the fundamental principle of zero tolerance for corruption, bribery and major fraud. It has established multiple efficient and accessible reporting channels, including telephone, letter, email and in-person reporting, as follows:

Multiple efficient and accessible reporting channels

- 1 Internal EIP Intranet of the Company**
Direct Feedback Platform section;
- 2 Suggestion Feedback Email**
qywh@megmeet.com
- 3 Anti-corruption Reporting Email**
compliance@megmeet.com
- 4 Message function on the official WeChat Official Account**
MEGMEET麦米电气
- 5 Offline Suggestion Boxes**
located in public areas of each regional office of the Group (such as reception desks and lounge areas).

Employees may submit feedback through any of the above channels. Upon receipt of feedback, the Company will assign it to the relevant departments for handling and follow up to complete a closed-loop management within the prescribed time limit. After disposal, the relevant departments will feedback the handling results to the submitter, and issue announcements to publicize the results and improvement measures as required.

The Company undertakes to keep all feedback channels unobstructed at all times, respond promptly to and follow up on all reportable matters until issues are satisfactorily resolved.

Reward Mechanism

The Company will grant corresponding material or spiritual rewards to employees who report serious violations and whose reports are verified, so as to encourage employees to participate in supervision actively and jointly maintain a sound operational environment of the Company.

To facilitate case investigation and reward meritorious whistleblowers, the Commission for Discipline Inspection advocates real-name reporting.

Report anonymously

The Company also supports anonymous reporting. Any true and reliable information provided may be used as a basis for investigation.

Anti-retaliation Policy

The Company strictly prohibits retaliation in any form. Once it is found that any employee suffers unfair treatment or retaliation due to reporting, the Company will conduct severe investigations and impose penalties, and provide strict legal protection for whistleblowers.

Protection Measures

The Company has formulated rigorous protection measures, including but not limited to identity confidentiality, job transfer and legal assistance, to ensure the safety and legitimate rights and interests of whistleblowers.

Supervision of Commercial Bribery and Corruption

MEGMEET Commission for Discipline Inspection is the primary organization responsible for supervision and inspection. It supervises and inspects the compliance of all business entities, functional platforms and various business activities of the Group with laws and regulations, oversees the standardized implementation of the Group's rules and regulations, handles violations of discipline and regulations identified through internal and external reports or supervision, and safeguards the interests of the Group from infringement.

For suspected violations of discipline and regulations, a special investigation team shall be established to conduct investigations and implement disposal measures in accordance with investigation results. Cases involving illegal acts shall be referred to relevant judicial authorities for disposal.



Integrity Pledge Ceremony

The Company's Commission for Discipline Inspection conducts supervision work in accordance with the principles of confidentiality protection, seeking truth from facts, legality and compliance, avoidance of interest conflicts, integration of supervision & inspection with work improvement, and appealability.

Severe penalties shall be imposed on violations of discipline and regulations in accordance with relevant provisions, including warning, demotion, post adjustment, salary and year-end bonus deduction. For cases with serious circumstances, relevant personnel shall be referred to judicial authorities for criminal liability investigation.

The Company emphasizes the importance of anti-corruption and integrity construction, advocates employees to abide by relevant rules voluntarily, safeguards the Company's reputation and image, and provides solid guarantee for the Company's sustainable development.

7 Anti-Unfair Competition

In accordance with laws and regulations such as the *Anti-Unfair Competition Law*, *Anti-Monopoly Law*, and *Regulations on the Protection of Trade Secrets*, MEGMEET has incorporated anti-unfair competition clauses into the *Provisions on Investigating and Penalizing Violations of Rules and Discipline*, *Employee Handbook*, and *Supply Agreement*, thereby extending compliance management across the entire value chain. Our company explicitly prohibits unfair competition practices, including false advertising, commercial bribery, monopoly agreements, and infringement of trade secrets.

Our company has established a Discipline Inspection Committee responsible for formulating and supervising the implementation of anti-unfair competition policies, coordinating the full-cycle management of risk identification, whistleblowing investigations, and corrective actions, and reporting regularly to the Board of Directors. Our company has also established a normalized risk prevention and control mechanism and conducts annual risk assessments of the market competition environment to accurately identify high-risk scenarios such as false advertising, price manipulation, and data theft. In parallel, our company carries out rigorous compliance reviews of marketing and promotional activities, tendering and bidding documents, and technology cooperation agreements, while implementing a dual-review mechanism to ensure that all content is truthful, compliant, lawful, and valid.

Management Measures

Prevention of false Advertising

All external publicity materials of MEGMEET are subject to joint review by the legal department and technical department to ensure that descriptions relating to product performance, qualification certifications, and other claims in advertisements and promotional materials are factual.

Anti-Monopoly and Fair Competition

MEGMEET implements pricing controls and has issued relevant policies prohibiting price alliances or market-sharing agreements with competitors.

Protection of Trade Secrets

We require departing employees to sign the *Confidentiality Commitment Letter*, undertaking to keep relevant technologies and commercial secrets confidential. Employees who infringe upon our company's trade secrets are subject to dismissal, and those whose conduct constitutes a criminal offense will be transferred to judicial authorities for criminal liability. We also require suppliers to sign the *Confidentiality Agreement* and conduct regular supplier information security audits during the cooperation period, thereby effectively managing information security across the supply chain.

Whistleblowing Mechanism

MEGMEET has established anonymous reporting channels, including email and messages via its official WeChat account. While ensuring that reporting channels remain accessible, our company also protects whistleblowers' privacy and initiates investigation procedures within 48 hours after reported materials are substantiated.

Disciplinary Mechanism for Violations

In accordance with the Provisions on Investigating and Penalizing Violations of Rules and Discipline, our company imposes strict penalties on violators, including warnings, demotion, reassignment, and deductions from wages and year-end bonuses. In serious cases, matters are transferred to judicial authorities for criminal liability.

During the reporting period, the number of litigation cases or major administrative penalties arising from unfair competition practices by our company was zero.

Green Manufacturing, Zero-Carbon Future

Guided by the philosophy of “technology-driven green future,” MEGMEET deeply integrates environmental responsibility into the entire value chain, including product R&D, production and operations, and supply chain management, and continuously advances the low-carbon transformation of the electrical industry. By increasing the use of renewable energy and promoting the R&D of innovative green technologies, our company reduces environmental impacts. Our company will continue to deepen breakthroughs in zero-carbon technologies and leverage technology to support the optimization of the global energy mix and ecological protection.

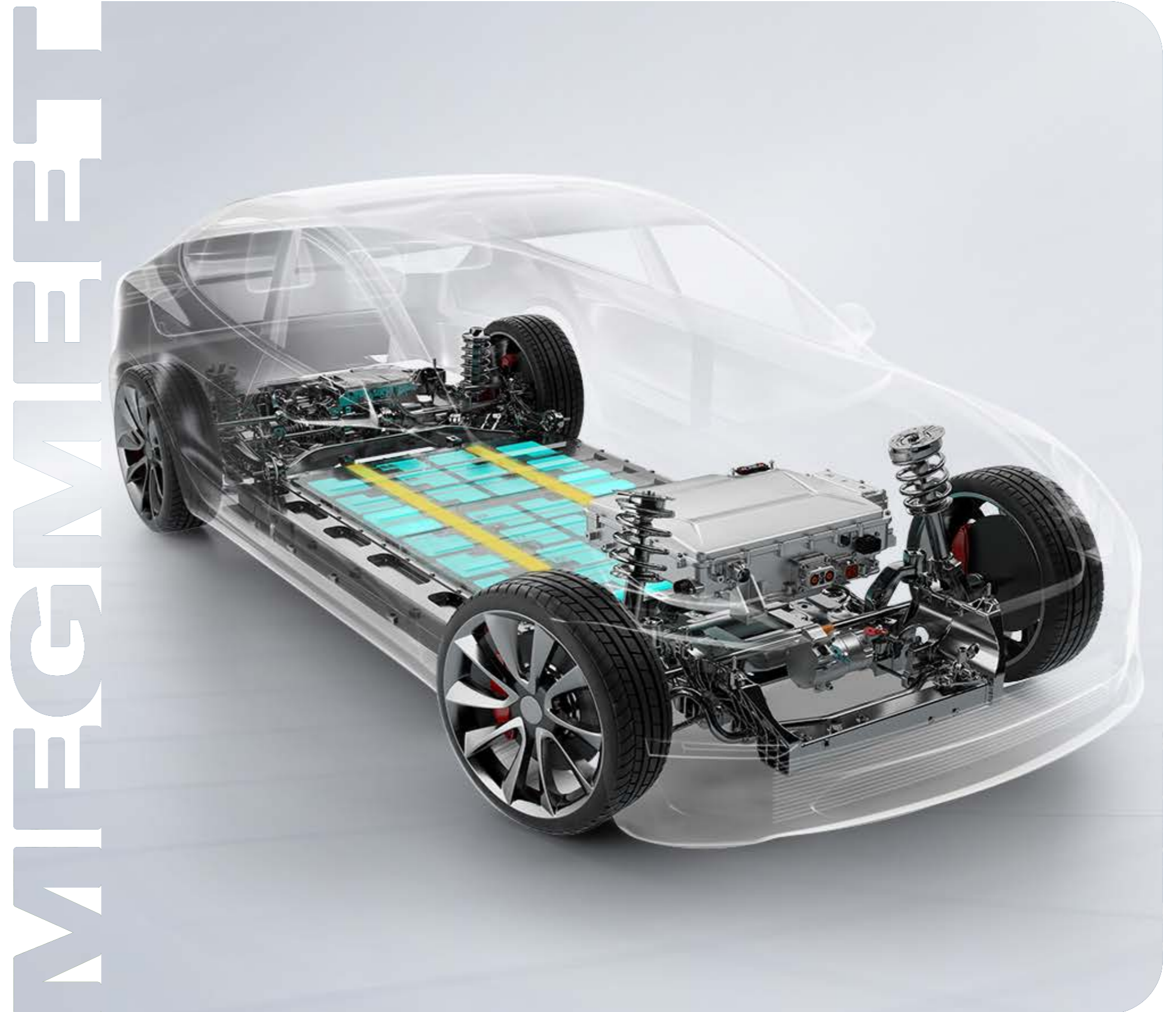
Relevant SDGs



Topics Covered in This Chapter

Climate Change Response, Energy Utilization, Green Operations, Water Resource Management, Environmental Compliance Management, Circular Economy, and Ecosystems and Biodiversity Conservation.

1. Climate Change Response	31
2. Energy Utilization	37
3. Green Operations	40
4. Water Resource Utilization	44
5. Environmental Compliance Management	45
6. Circular Economy	48
7. Ecosystem and Biodiversity Protection	50



1 Climate Change Response

Governance

Upholding the core vision of “Technology for a Greener Future,” MEGMEET deeply integrates climate change response into its top-level strategic design. Following deliberation by the Group’s leadership and approval by the Chairman, our company officially established the Group ESG Committee and, with it as the core, built a three-tier climate governance structure featuring “overall oversight by the Board of Directors, management driven by the ESG Project Committee, and implementation advanced by the execution level.” Under this structure, the ESG Project Committee is responsible for formulating climate strategies and reviewing implementation progress. The Committee Director takes overall leadership in the identification and prioritization of climate-related risks and opportunities, target setting, and budget coordination, while also innovatively linking senior management remuneration to climate indicators and introducing external experts and think tanks to support decision-making. Meanwhile, the dedicated ESG support group focuses on the concrete implementation and high-quality delivery of the climate blueprint. At the same time, our company continuously strengthens the climate-related expertise of both the decision-making level and the management level, ensuring that the green technology strategy is efficiently translated into tangible emission reduction results through a top-down governance mechanism and the joint empowerment of internal and external expertise.

Strategy

Our company continuously monitors global climate policy trends and regulatory requirements. Leveraging the Group ESG Committee, and in light of mainstream climate scenario analysis and actual business operations, our company identifies, assesses, and responds to the physical and transition risks arising from climate change, while accurately capturing market opportunities brought about by green technological innovation. On this basis, our company has formulated and dynamically optimized its “dual-carbon” action roadmap, fully integrating climate strategy into business development planning, with the aim of enhancing climate resilience through technology and achieving coordinated progress in sustainable business growth and low-carbon transition.

Climate-Related Risks and Opportunities

To systematically assess the potential impacts of different climate pathways on the Group’s operations and financial performance, this report selects the “RCP2.6” and the “RCP8.5” recommended by international research institutions for physical risk analysis, and examines how physical and transition risks under these scenarios may affect the Group’s operations and assets. With respect to physical risks, MEGMEET focuses on the impacts of acute and chronic risks under the RCP8.5 emissions scenario. With respect to transition risks and opportunities, the analysis focuses on the RCP2.6 Scenario.

Physical Risks		
Climate Scenario	RCP2.6 (IPCC)	RCP8.5 (IPCC)
Scenario Description	A scenario characterized by very low greenhouse gas concentrations, requiring carbon dioxide emissions to decline from 2020 onward and reach net negative levels before 2100.	A scenario with no government intervention, under which greenhouse gas emissions continue to rise throughout the 21st century, resulting in continuously increasing atmospheric greenhouse gas concentrations.
Transition Risks and Opportunities		
Climate Scenario	International Energy Agency (IEA): Sustainable Development Scenario (SDS)	International Energy Agency (IEA): Stated Policies Scenario (SPS)
Description	A pathway under which the global energy sector achieves net-zero emissions by 2050 while limiting global warming to within 1.5°C.	A scenario in which countries maintain existing policies and announced policies without change.

Climate Scenario	Network for Greening the Financial System (NGFS): Orderly pathway consistent with limiting warming to within 1.5°C	Network for Greening the Financial System (NGFS): Hot House World
Description	Net Zero 2050 scenario and Below 2°C scenario.	Nationally Determined Contributions scenario and Current Policies scenario.

The following climate risk assessment covers MEGMEET’s entire value chain and identifies and assesses risks across three time horizons—short term (within one year after the end of the ESG reporting period), medium term (one to five years after the end of the ESG reporting period), and long term (more than five years after the end of the ESG reporting period)—using high, medium, and low ratings.

Climate Identification and Assessment (Risks and Opportunities)

Climate Risk and Opportunity Category		Risk and Opportunity Description	Affected Value Chain	Time Horizon
Transition Risk	Policy and Legal	Rising compliance costs and trade barriers: <ul style="list-style-type: none"> Global carbon disclosure regulations are becoming more stringent, increasing compliance management costs. The implementation of international carbon tariffs, such as the EU CBAM and the new Battery Regulation, may increase export product costs and restrict market access. 	Upstream Own Operations Downstream	Short to Medium Term
	Technology	Pressure from investment in low-carbon technology R&D: <ul style="list-style-type: none"> To maintain competitiveness, substantial increases in capital expenditure on the R&D of low-carbon products and processes are required. 	Own Operations	Short to Medium Term
	Market	Rapid shifts in market demand preferences: <ul style="list-style-type: none"> Customers’ willingness to pay a premium for low-carbon products is highly volatile, increasing the difficulty of demand forecasting. The market share of traditional high-carbon products may shrink, while accelerated technological iteration may increase the risk of inventory impairment. 	Own Operations Downstream	Medium to Long Term
	Reputation	Risk arising from gaps in stakeholder expectations: <ul style="list-style-type: none"> If climate action progress lags behind science-based targets (SBTi) or public expectations, it may result in reputational damage and higher financing costs. 	Downstream	Medium to Long Term
Physical Risk	Acute	Impacts of extreme weather events: <ul style="list-style-type: none"> Typhoons, heavy rainfall, and floods may lead to factory shutdowns, logistics disruptions, raw material damage, and delivery delays. 	Upstream Own Operations Downstream	Short Term
	Chronic	Long-term shifts in climate patterns: <ul style="list-style-type: none"> Rising sea levels may threaten coastal bases, forcing relocation or causing asset impairment. Prolonged high temperatures may reduce equipment operating efficiency and increase cooling energy consumption as well as employee health risks. 	Own Operations	Long Term

Transition Opportunity	Resource Efficiency	<p>Improved operational energy efficiency and cost savings:</p> <ul style="list-style-type: none"> The use of variable-frequency technology and waste heat recovery can significantly reduce electricity consumption. Process optimization can reduce waste and improve output per unit of production capacity. 	Own Operations	Short to Medium Term
	Products and Services	<p>Surging demand for low-carbon solutions:</p> <ul style="list-style-type: none"> Power Products: Market demand for high-efficiency, high-density green power products is rising rapidly. Industrial Automation: Customers urgently require equipment such as frequency converters to retrofit motor systems for energy efficiency. New Energy Transportation: Demand for core components such as electric vehicle parts continues to expand. Smart Equipment: High-efficiency welding equipment such as digital welding machines is replacing traditional high-energy-consuming equipment. Smart Home Appliances: Electronic control systems for smart sanitary ware and other smart appliances are evolving toward ultra-low power consumption and greater intelligence. 	Own Operations Downstream	Medium to Long Term
	Market	<p>Access to and expansion in emerging green markets:</p> <ul style="list-style-type: none"> Entry into high-end international supply chains with stringent carbon footprint requirements, such as those of European and U.S. automakers and leading home appliance companies. Benefiting from the global electrification trend to gain greater market share in emerging markets. 	Own Operations Downstream	Medium to Long Term

Climate Transition Plan

Near-Zero-Carbon Strategy

To strengthen future-oriented core competitiveness, MEGMEET is carrying out systematic transformation around three pillars: “Green Supply Chain Collaboration,” “Deep Decarbonization of Own Operations,” and “Low-Carbonization Across the Full Product Life Cycle.”

Green Supply Chain Collaboration	Deep Decarbonization of Own Operations	Low-Carbonization Across the Full Product Life Cycle
<ul style="list-style-type: none"> Implement carbon-based market access and tiered management by incorporating carbon emission data into supplier admission criteria and annual performance assessment systems, and by adopting a “one-vote veto” or weighted assessment mechanism. Establish an end-to-end carbon traceability system by collaborating with key suppliers to enable carbon footprint traceability for core raw materials such as copper, steel, and plastics; promote product carbon footprint disclosure by Tier-1 suppliers and progressively extend this to Tier-2 suppliers. Optimize procurement deployment to reduce logistics emissions, implement a localized sourcing strategy, shorten transportation distances to reduce Scope 3 emissions, and support regional economic development. 	<ul style="list-style-type: none"> Build clusters of “zero-carbon factories” by fully benchmarking against national zero-carbon factory evaluation standards and formulating factory-specific decarbonization roadmaps. Deploy distributed photovoltaic systems at core bases to significantly increase the share of renewable energy used in plants. Deepen digital and intelligent transformation by fully deploying Energy Management Systems (EMS), introducing automated production lines and AI-driven energy-efficiency optimization algorithms, and achieving refined process control and improved green efficiency. 	<ul style="list-style-type: none"> Promote eco-design by conducting life cycle assessment (LCA) of product carbon footprints and formulating dedicated emission reduction plans; significantly reduce product environmental impact indicators through the substitution of green materials and structural optimization. Enhance modularity and reparability in product design to extend service life, thereby reducing unit use cost and carbon emission intensity across the full life cycle. Build a circular economy closed loop by improving reverse logistics and recycling systems and embedding the concepts of “easy disassembly” and “recyclability” at the design stage to maximize resource recovery and reduce environmental burdens.

Four Key Action Areas

Low-Carbon Supply Chain Collaboration and Governance	Green Product Innovation Across the Full Life Cycle	Smart Manufacturing and Energy Efficiency Improvement	Green Technology Empowerment and Solution Output
<ul style="list-style-type: none"> Build a full-chain carbon management system covering power products, precision connections, and core components, and incorporate carbon performance into supplier tiered management and tendering and bidding systems. Promote carbon reduction in key raw materials by prioritizing electronic materials and structural components with lower carbon footprints. Optimize global and regional supply chain deployment and use digital means to dynamically optimize logistics routes and warehousing energy efficiency, thereby reducing Scope 3 emissions. 	<ul style="list-style-type: none"> In the fields of smart home appliance control systems and new energy transportation, implement a “green by design” strategy to reduce embedded carbon through lightweight, modular, and long-life design. Establish a Product Carbon Footprint (PCF) declaration mechanism to provide traceable environmental attribute data for industrial automation and smart equipment products. Explore remanufacturing and circular economy models and carry out recycling and refurbishment businesses for high-value industrial equipment and power systems. 	<ul style="list-style-type: none"> Promote the upgrading of green factories into “zero-carbon” factories and achieve deep energy savings in production processes through full-process energy efficiency optimization. Expand the use of green electricity and distributed energy systems, combined with energy storage technologies, to make plant energy use more flexible and low-carbon. Use digital twin technology to simulate and optimize production processes, reduce trial-and-error energy consumption and material waste, and enhance the maturity of green manufacturing. 	<ul style="list-style-type: none"> Leverage the advantages of power products and industrial automation technologies to provide integrated energy efficiency management and carbon reduction solutions for high-energy-consuming industries. Accelerate upgrades to energy efficiency standards in the fields of new energy transportation and smart home appliances, and promote green technological progress across the industry. Rely on smart equipment and precision connection technologies to help upstream and downstream customers achieve automated, intelligent, and low-carbon transformation in production processes.

Impact, Risk, and Opportunity Management

Our company has a profound understanding of the dual impacts brought by climate change and consistently treats climate change as a core management issue, deeply integrating it into corporate governance and long-term strategy. By identifying physical risks and transition risks in operations and the supply chain, our company fully incorporates climate considerations into its overall enterprise risk management system, with the aim of building a sustainable development model with a high degree of adaptability and resilience. Our company has established a closed-loop management mechanism covering “identification, assessment, response, tracking, and supervision” to ensure that relevant risks are measurable, controllable, and manageable, while also transforming challenges into new drivers of high-quality development. At the same time, our company focuses on in-depth analysis of high-impact factors, uses data-driven decision-making to accurately define priorities and formulate targeted response strategies, and achieves deep integration from strategic planning to implementation.

Climate Risk Response Measures

Climate Risk Category	Risk Event Description	Countermeasures
Transition Risk	<p>Rising compliance costs and trade barriers:</p> <ul style="list-style-type: none"> Global carbon emissions disclosure regulations are becoming increasingly stringent, resulting in higher compliance management costs. The implementation of international carbon taxes, such as the EU CBAM and the new Battery Regulation, leads to higher export product costs and restricted market access. 	<ul style="list-style-type: none"> Establish a global carbon policy radar mechanism to track regulatory developments in operating locations and export destinations in real time and formulate compliance response plans in advance. Deepen carbon management across the entire value chain by implementing carbon footprint accounting and emission reduction throughout the full process from raw material procurement to manufacturing, thereby reducing embedded carbon to address carbon taxes.
	<p>Pressure from investment in low-carbon technology R&D:</p> <ul style="list-style-type: none"> To maintain competitiveness, substantial increases in capital expenditure on the R&D of low-carbon products and processes are required. 	<ul style="list-style-type: none"> Implement an open innovation strategy by jointly establishing laboratories with universities and research institutes to share the risks and costs of frontier low-carbon technology R&D. Establish a dedicated green R&D fund to ensure sustained capital investment, with a focus on breakthroughs in key technologies such as high-efficiency power supplies and lightweight connections.

Transition Risk	Market	<p>Rapid shifts in market demand preferences:</p> <ul style="list-style-type: none"> Customers' willingness to pay a premium for low-carbon products fluctuates significantly, making demand forecasting more difficult. The market share of traditional high-carbon products is shrinking, while accelerated technological iteration creates a risk of inventory impairment. 	<ul style="list-style-type: none"> Build an agile market insight system to analyze customers' carbon preferences through big data and dynamically adjust product portfolios and pricing strategies. Optimize product life cycle management by accelerating the phase-out of outdated high-carbon products and reallocating resources toward low-carbon product lines with high growth potential.
	Reputation	<p>Risk arising from gaps in stakeholder expectations:</p> <ul style="list-style-type: none"> If climate action progress lags behind science-based targets (SBTi) or public expectations, it may result in reputational damage and higher financing costs. 	<ul style="list-style-type: none"> Strengthen transparent communication mechanisms by regularly issuing climate action progress reports and proactively disclosing target achievement status. Actively participate in the formulation of industry standards by joining international green supply chain initiatives and building an image of low-carbon industry leadership. Establish a reputational risk early warning system to continuously monitor media coverage and public opinion and respond promptly to stakeholder concerns.
Physical Risk	Acute	<p>Impacts of extreme weather events:</p> <ul style="list-style-type: none"> Typhoons, heavy rainfall, and floods may lead to factory shutdowns, logistics disruptions, raw material damage, and delivery delays. 	<ul style="list-style-type: none"> Improve infrastructure resilience by strengthening flood prevention and drainage facilities at plant sites and equipping them with emergency backup power supplies and temperature control systems. Establish a diversified logistics network by planning multimodal transportation alternatives and dynamically adjusting logistics routes and shipping schedules based on weather warnings. Improve emergency response mechanisms by establishing safety stock buffer pools and regularly conducting special emergency drills and company-wide training for extreme weather events.
	Chronic	<p>Long-term shifts in climate patterns:</p> <ul style="list-style-type: none"> Rising sea levels may threaten coastal bases, forcing relocation or causing asset impairment. Prolonged high temperatures may reduce equipment operating efficiency and increase cooling energy consumption as well as employee health risks. 	<ul style="list-style-type: none"> Integrate climate scenarios into investment decision-making by mandating stress testing for sea level rise and high-temperature scenarios in the evaluation of new plant sites or mergers and acquisitions. Implement adaptive technological upgrades by upgrading equipment heat dissipation systems and optimizing work scheduling during high-temperature periods to safeguard employee health and production efficiency.
Transition Opportunity	Resource Efficiency	<p>Improved operational energy efficiency and cost savings:</p> <ul style="list-style-type: none"> The use of variable-frequency technology and waste heat recovery can significantly reduce electricity consumption. Process optimization can reduce waste and improve output per unit of production capacity. 	<ul style="list-style-type: none"> Build internal "zero-carbon factory" benchmarks by comprehensively benchmarking against national zero-carbon factory standards and developing model bases within the Group. Deploy digital energy management systems to monitor energy consumption data in real time and use AI algorithms to automatically optimize equipment operating parameters. Build a distributed clean energy system by scaling up investment in rooftop photovoltaic and energy storage projects to increase the share of green electricity used.
	Products and Services	<p>Surging demand for low-carbon solutions:</p> <ul style="list-style-type: none"> Power Products: Market demand for high-efficiency, high-density green power products is rising rapidly. Industrial Automation: Customers urgently require equipment such as frequency converters to retrofit motor systems for energy efficiency. New Energy Transportation: Demand for core components such as electric vehicle parts continues to expand. 	<ul style="list-style-type: none"> Launch a full series of green product portfolios by developing flagship products with industry-leading energy efficiency ratings for each business segment. Obtain green product certifications by completing carbon footprint verification and Environmental Product Declarations (EPDs) for major products, thereby enhancing profitability through green premiums.

Transition Risk	Market	<ul style="list-style-type: none"> Smart Equipment: High-efficiency welding equipment such as digital welding machines is replacing traditional high-energy-consuming equipment. Smart Home Appliances: Electronic control systems for smart sanitary ware and other smart appliances are evolving toward ultra-low power consumption and greater intelligence. 	
	Market	<p>Access to and expansion in emerging green markets:</p> <ul style="list-style-type: none"> Entry into high-end international supply chains with stringent carbon footprint requirements, such as those of European and U.S. automakers and leading home appliance companies. Benefiting from the global electrification trend to gain greater market share in emerging markets. 	<ul style="list-style-type: none"> Obtain internationally recognized carbon certifications, such as EPDs and carbon labels, to overcome green trade barriers. Form strategic partnerships with leading global new energy and smart manufacturing customers to jointly develop green zero-carbon products. Leverage the green brand image to expand into niche markets with strong demand for sustainable development.

Metrics and Targets

Building on the foundation of climate resilience and green transformation, our company closely aligns its carbon reduction actions with the global temperature control goals of the *Paris Agreement* and is committed to achieving greenhouse gas emission reductions through a scientific, transparent, and verifiable pathway. To this end, our company officially joined the Science Based Targets initiative (SBTi) and formulates its emission reduction strategy in strict accordance with its methodology. On May 26, 2025, our company's near-term science-based targets were officially validated by the SBTi. With 2023 as the base year, the specific commitments are as follows:

Scope 1 and Scope 2 (operational emissions)

By 2030, absolute emissions will be reduced by 50% compared with the base year;

Scope 3 (value chain emissions)

By 2030, emissions intensity (carbon emissions per RMB 100 million of value added) will be reduced by 51.6% compared with the base year.

The achievement of this target marks the translation of our company's ambition to limit global warming to within 1.5°C into concrete and quantifiable action, guiding the enterprise toward a low-carbon future.



To effectively advance the implementation of its carbon reduction targets, our company has established greenhouse gas emissions intensity as a core performance indicator and prepared the Carbon Reduction Pathway Planning Report, which is oriented toward achieving the SBTi science-based targets and is expected to be officially released in 2026.

To ensure the credibility of carbon data, our company engaged a third-party professional institution to conduct a Group-wide greenhouse gas inventory. The accounting work was carried out in strict accordance with the GHG Protocol and followed the Operational Control Approach in defining organizational boundaries. At the same time, our company established a rigorous hierarchical mechanism for handling missing data: first-priority is given to obtaining primary raw data through supply chain collaboration, while for data gaps that cannot be obtained, statistical methods such as regression analysis and mean, mode, or median imputation are scientifically applied to estimate the missing values, thereby comprehensively ensuring the completeness and accuracy of the inventory results.

Indicator	Unit	2023	2024	2025
Total greenhouse gas emissions	tCO2e	24,327,917.63	23,721,492.79	24,322,671.27
Total Scope 1 greenhouse gas emissions	tCO2e	1,180.50	522.80	1,626.18
Total Scope 2 greenhouse gas emissions as emissions	tCO2e	20,289.39	26,744.98	51,827.25
Total Scope 3 greenhouse gas emissions	tCO2e	24,306,447.74	23,694,225.01	24,269,217.84
Greenhouse gas emissions intensity	tCO2e/RMB ten thousand of Operating Revenue	29.33	26.81	25.87

2 Energy Utilization

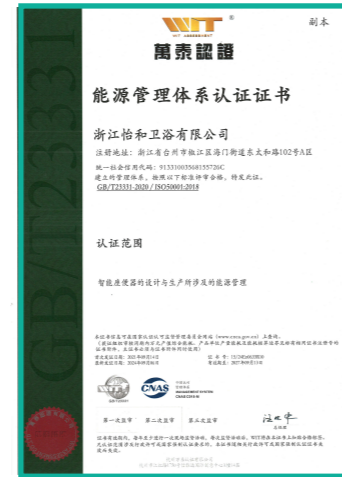
Governance

Our company strictly complies with laws, regulations, and standards such as the *Energy Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Renewable Energy Law of the People's Republic of China*, *Measures for Energy Conservation Management of Key Energy-Using Entities*, and *General Principles for Energy Management of Industrial Enterprises*, as well as other energy-related laws, regulations, and standards in the locations where it operates globally. Guided by the energy management policy of “green and low-carbon, energy conservation and efficiency enhancement,” our company has established an energy management structure consisting of the “General Management Department (centralized energy management), Procurement Department/Warehousing Department (resource procurement and storage), Technical Department/Production Department (equipment maintenance and process waste reduction), and all employees (implementation of conservation measures).” Our company has formulated the *Resource and Energy Management Procedure* as an institutional document. Through closed-loop full life cycle management of energy consumption, covering procurement and storage, transmission and metering, usage monitoring, and statistical accounting, our company has clarified benchmarks for equipment energy efficiency control, continuously optimized energy utilization efficiency, reduced energy consumption per unit of output value, ensured the efficient and orderly implementation of the overall energy management policy during production and operations, and strengthened the safeguard line for the security and reliability of energy supply.

During the reporting period, our company and its subsidiaries Zhuzhou Electric, Hunan Electric, and Yihe Sanitary Ware continued to maintain the validity of ISO 50001 Energy Management System certification.



Energy Management System Certification
Certificate of Shenzhen Megmeet Electrical Co., Ltd.



Energy Management System Certification
Certificate of Yihe Sanitary Ware

Strategy

MEGMEET continues to advance energy conservation, consumption reduction, and energy structure optimization. By identifying risks and opportunities related to energy utilization, our company continuously improves its management measures.

Risks/Opportunities	Specific Description	Time Horizon	Financial Impact	
Risk	Stakeholders are placing higher requirements on our company's energy utilization	Government authorities, industrial parks, customers, and other stakeholders may impose requirements related to energy conservation and efficiency improvement, carbon neutrality, and zero carbon, requiring our company to invest more financial, material, and human resources in planning and implementing relevant projects.	Short, Medium, and Long Term	This will affect our company's financial performance from the expenditure side. Currently, it has a slight financial impact.

Risk	Depletion of energy resources	Energy shortages may lead to higher energy costs, increase our company's energy procurement costs, and affect product manufacturing and market supply. In severe cases, they may even result in production suspension.	Long Term	This will affect our company's financial performance from the revenue side. At present, no significant financial impact has occurred.
	Energy supply interruption caused by natural disasters	This may affect our company's product manufacturing and the supply of raw materials in the supply chain. In severe cases, it may even result in production suspension.	Medium to Long Term	This will affect our company's financial performance from the cash flow side. At present, no significant financial impact has occurred.
Opportunity	Government subsidies	The government provides partial financial subsidies for energy-saving technological transformation projects undertaken by industrial enterprises.	Short, Medium, and Long Term	This will affect our company's financial performance from the revenue side. Currently, it has a slight financial impact.
	Price advantages brought by renewable energy	Some of MEGMEET's plants have built distributed photovoltaic power generation systems, reducing purchases of municipal electricity and saving electricity costs.	Short, Medium, and Long Term	This will affect our company's financial performance from the expenditure side. Currently, it has a moderate financial impact.

Impact, Risk, and Opportunity Management

By advancing energy-saving technological transformation and management optimization, our company continuously improves energy utilization efficiency. With institutional development and capability building as key levers, our company has established a full-process energy-saving management system and uses management empowerment to support long-term energy conservation and efficiency enhancement.

During the reporting period, our company and its subsidiaries implemented multiple energy-saving projects. Through energy-saving upgrades, process optimization, and the improvement of the energy management system, our company continuously enhanced energy utilization efficiency. The following are some of the energy-saving projects carried out:

Adjusted oxygen concentration control parameters for the SMT reflow oven to reduce nitrogen redundancy while meeting production process requirements, thereby lowering the energy consumption of the nitrogen generator.	Annual electricity savings of 168,960 kWh, is equivalent to reducing carbon emissions by 89.65 ton.
Shut down one 75 kW air compressor during periods of reduced nighttime gas consumption to reduce standby and start-stop energy consumption.	Annual electricity savings of 47,520 kWh, is equivalent to reducing carbon emissions by 25.21 ton.
Used hot water generated from waste heat recovery of air compressors to meet nighttime dormitory water demand, reducing the operating time of gas boilers.	Annual natural gas savings of 11,912 m ³ , is equivalent to reducing carbon emissions by 26.21 ton.
Coordinated with the production department to reasonably set nitrogen consumption, reducing nitrogen demand from 170 m ³ /h to 120 m ³ /h and lowering the power consumption of the nitrogen generation system.	Annual electricity savings of 276,000 kWh, is equivalent to reducing carbon emissions by 146.45 ton.
For the Wuyu Park and Changyan Institute office and production areas, used residual cooling from the pipeline network 30 minutes before the end of the workday to reduce ineffective operation of air-conditioning systems.	Annual electricity savings of 12,000 kWh, is equivalent to reducing carbon emissions by 6.37 ton.
Replaced 15 sets of stand-alone air-cooled chillers in the original workshop with an outdoor chilled water system for centralized cooling water supply, reducing workshop ambient temperature and air-conditioning load.	Annual electricity savings of 172,800 kWh, is equivalent to reducing carbon emissions by 91.69 ton.
Implemented zoned lighting control in passage areas and non-operating areas to reduce unnecessary operating hours and lower lighting energy consumption.	Annual electricity savings of 30,000 kWh, is equivalent to reducing carbon emissions by 15.92 ton.
Built a new air compressor waste heat recovery system to use recovered heat for supplying hot water to employee dormitories, reducing natural gas consumption.	Annual natural gas savings of 90,000 m ³ , is equivalent to reducing carbon emissions by 198 ton.

Use of Clean Energy

To respond to the national call, MEGMEET's wholly owned subsidiary Zhuzhou Electric has vigorously developed clean energy and signed a photovoltaic energy management contract. Using the idle rooftops of existing factory buildings and office buildings, it installed photovoltaic panels covering a total area of approximately 20,000 square meters. Power is generated using polycrystalline silicon solar cell technology for self-generation and self-consumption, with calculated actual annual power generation reaching 1.204 million kWh.

Yihe Sanitary Ware has also actively responded to the Group's call for green energy transformation and completed a distributed photovoltaic + energy storage project. According to calculations, the project achieves energy savings of approximately 0.88 tons of standard coal per year, replacing traditional fossil energy with clean energy and reducing greenhouse gas emissions.



Metrics and Targets

MEGMEET actively fulfills its corporate social responsibilities and is committed to becoming a green pioneer in the industry. During the reporting period, the main energy consumed by our company included direct energy sources, such as gasoline, diesel, and natural gas, and indirect energy sources, such as purchased electricity and self-generated photovoltaic power. The Group's factories track, record, and publicly report energy consumption in accordance with RBA certification standards.

The direct energy sources within the scope of our company include:

Type of Direct Energy		
Natural gas	Gasoline	Diesel
Energy Utilization Scenarios		
Energy Utilization Scenarios	Operation of company-owned vehicles	Operation of company-owned vehicles
Photovoltaic self-generation	Purchased electricity	Operation of backup diesel generators
Manufacturing	Manufacturing	

Our company has established systematic energy management measures and supervision mechanisms. Through feasibility studies and analysis, our company sets annual quota targets and uses assessment mechanisms to promote green production and eliminate resource waste. At the same time, certain equipment with high energy consumption and serious waste is upgraded and retrofitted to achieve low-carbon economic development.

According to data collection and statistical results, the indicators related to the total energy consumption of our company and its affiliated institutions/factories during 2023–2025 are as follows:

Indicator	Unit	2023	2024	2025
Total electricity consumption	MWh	36,924.16	47,728.75	101,034.91
Photovoltaic power consumption	MWh	1,549.15	1,529.06	3,358.22
Municipal electricity consumption	MWh	35,375.01	46,199.69	97,676.68
Comprehensive energy consumption	tce	4,537.98	5,865.86	12,417.19
Comprehensive energy consumption intensity	kgce per RMB ten thousand of Operating Revenue	5.48	6.64	13.21

3 Green Operations

Green Office

Our company vigorously promotes green office practices, continuously optimizes the management and control of energy and water consumption, and improves resource utilization efficiency. Yihe Sanitary Ware formulated the document *Production Energy Conservation and Emission Reduction Measures*. Guided by the philosophy that "saving means creating value," it has built a comprehensive system for energy conservation and consumption reduction through full employee participation, detailed control, and systematic optimization.

Category	Specific Measures
Electricity Conservation	<p>Lighting: Turn off lights whenever they are not needed, eliminate the use of lights during daylight hours and long-burning lights, and use energy-saving lighting fixtures.</p> <p>Air Conditioning: Set temperatures reasonably (no lower than 26°C in summer and no higher than 20°C in winter); do not use air conditioning when no one is present; keep doors and windows closed when air conditioning is on; and encourage reducing air-conditioning use by one hour each day.</p> <p>Office Equipment: Avoid keeping computers, printers, photocopiers, and other office equipment on standby for extended periods; reduce standby power consumption; and turn off all power switches before leaving work.</p>
Water Conservation	Installed push-type faucets at washbasins in high-traffic areas on the first floor of the office building and in the complete machine workshop to avoid excessive faucet opening and continuously running water.
Paper Conservation	Promote paperless office practices, reduce the printing and distribution of paper documents, and prioritize the use of DingTalk, email, and other methods for communication and approval.
Fuel Conservation	<p>Strengthen forklift management in warehousing operations, reasonably schedule forklift tasks, and achieve integrated dispatching.</p> <p>Formulate annual forklift maintenance plans, perform timely maintenance, and reduce vehicle failures.</p>
Office Cost Savings	Select appropriate suppliers for spare parts and consumables, procure high-quality and cost-effective spare parts, and reduce procurement costs.
Equipment Optimization and Repair/Recycling	<p>Strengthen repair and reuse practices by repairing faulty equipment for continued use whenever possible, tapping potential and improving efficiency.</p> <p>Optimize equipment layout, upgrade to high-efficiency equipment, establish a process control system, and improve energy utilization efficiency.</p>

Green Buildings

MEGMEET's Changsha Intelligent Industrial Center selected aerogel, a highly efficient energy-saving material. This material has an extremely low thermal conductivity, and its insulation performance is 2 to 3 times better than that of traditional materials. It can effectively block heat transfer between the interior and exterior of buildings, thereby significantly reducing overall energy consumption. At the same time, aerogel offers excellent fire resistance, a long service life, strong hydrophobic properties, and is not prone to settling or decomposition. While meeting summer insulation requirements, it also addresses winter heat preservation needs.



Yihe Sanitary Ware, a subsidiary of MEGMEET, engaged a professional lighting design team to carry out specialized design and construction for the lighting and control systems of the injection molding workshop. The injection molding workshop and mold workshop both adopted no-wiring kinetic switches, which require neither batteries nor wiring. Combined with an intelligent system, they enable one-touch, on-demand lighting activation for the entire workshop, namely scene control. In the future, the system can be further upgraded to intelligent scene control, and one-touch scene functionality has already been deployed on the east side of the injection molding workshop. Based on actual production needs, management personnel can preset lighting scenarios through a mobile app, effectively reducing energy waste while ensuring lighting requirements are met.

Green Design

Yihe Sanitary Ware was awarded the title of "Industrial Product Green Design Demonstration Enterprise" by the Ministry of Industry and Information Technology. Our company continues to promote green product development and eco-design, actively applies digital information management platforms, and has built photovoltaic power stations and energy storage stations. Water used in the testing system has achieved 100% recycling and reuse. At the same time, by leveraging the PLM and PMS systems to optimize product structures and process layouts, our company has effectively reduced raw material losses during the production process and successfully developed water-saving and energy-saving products that meet Grade 1 Water Efficiency and Grade 1 Energy Efficiency standards.

Green Product

Product Carbon Footprint

In accordance with standards such as ISO 14067 and PAS 2050, Zhuzhou Electric and Yihe Sanitary Ware have actively advanced product carbon footprint accounting and certification, systematically assessing the potential impacts of products on climate and the environment throughout their full life cycles. At present, Yihe Sanitary Ware has successfully completed third-party verification of the product carbon footprints for its entire factory, and Zhuzhou Electric's photovoltaic module product (model MS483000HG) has also obtained product carbon footprint certification. Through comprehensive analysis of carbon footprint verification results, our company focuses on key process stages with high energy consumption and high emissions and continues to promote technological upgrading and optimization, thereby steadily reducing the carbon footprint of its products.



Components for New Energy Vehicles and Charging Pile Systems

Leveraging decades of expertise in power electronics and industrial control technologies, MEGMEET provides highly reliable, efficient, and cost-effective electrification solutions to more than 20 well-known new energy enterprises in China and abroad, with cumulative product supply exceeding 300,000 units and covering both new energy passenger vehicle and commercial vehicle segments. Products related to charging piles adopt patented circuits and proprietary processes, offering high power density, optional liquid cooling and potting processes, and compatibility with vehicle charging requirements ranging from 20V to 1000V. Through high-efficiency products and environmentally friendly processes, our company supports the "dual-carbon" goals and reduces environmental impacts. By improving industrial chain support and facilitating the widespread adoption of new energy vehicles, our company fulfills its social responsibilities, while also promoting the sustainable development of the industry through patented technology management and control.



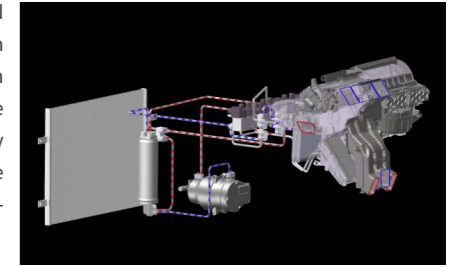
(DCDC+OBC): Integrated Charging System for New Energy Vehicles (DCDC + OBC)

MEGMEET's integrated OBC and DCDC charging series covers a range of power requirements including 3.3kW, 6.6kW, and 11kW. The two-in-one product is capable of operating at full power simultaneously. Leveraging advanced control algorithms, the system achieves an efficiency rating exceeding 95%. Featuring a compact structural layout and flexible installation, it is widely applicable to new energy passenger vehicles, commercial vehicles, and other related fields.



R744 Automotive Thermal Management System

MEGMEET's heat pump thermal management system utilizes R744 (CO₂) refrigerant, a natural and environmentally friendly working fluid. The CO₂ refrigerant features zero ODP (Ozone Depletion Potential), aligning with the environmental requirements of the Kigali Amendment. The system operates efficiently within an ambient temperature range of -25°C to 45°C. While fulfilling the thermal management demands of both the passenger cabin and the battery system, it significantly extends the driving range of electric vehicles during winter conditions. From a full lifecycle perspective, the system contributes to the reduction of carbon emissions associated with automotive thermal management.



800V/570kW Side Pack Data Center Power Supply

MEGMEET's 800V/570kW Side Pack Server Power Supply is a rack-level high-voltage DC power distribution system specifically engineered for next-generation AI supercomputing data centers. The core innovation involves consolidating the low-power power supply units traditionally dispersed within individual servers into an independent, high-power, high-voltage DC "power sidecar" cabinet that directly powers AI server racks. The product leverages SiC (Silicon Carbide) devices to achieve a conversion efficiency of 98%. Requiring only 8U of rack space to support the power demands of a 1MW rack, this solution frees up to 80% of rack space compared to conventional configurations. By minimizing power conversion stages, it effectively enhances Power Usage Effectiveness (PUE) and reduces overall energy consumption.



Intelligent Oil Extraction System

MEGMEET has introduced a high-efficiency, energy-saving alternative to traditional high-energy-consumption beam pumping units specifically for the engineering sector: the Electric Submersible Progressive Cavity Pump (ESPCP) Intelligent Oil Extraction System. Through the redesign and optimization of conventional extraction equipment, MEGMEET has developed this system with a footprint of merely 5 square meters and a power rating of just 7.5 kW. Compared to equipment with equivalent displacement rates, this system achieves electricity savings exceeding 50%, resulting in a significant reduction in energy consumption. Furthermore, unlike traditional extraction equipment—such as conventional beam pumps or surface-driven progressive cavity pumps—the ESPCP system eliminates the risk of wellhead leakage, offering a distinct advantage in environmentally sensitive areas. In later stages, the system integrates temperature and pressure monitoring devices along with remote control via a mobile application, enabling intelligent operation. It automatically adjusts rotational speed to ensure coordinated supply and extraction within the wellbore, maximizing production output. This enhances both the flexibility and economic viability of oil recovery, representing an innovative practice in digital extraction. Currently, the ESPCP Intelligent Oil Extraction System is widely deployed in horizontal wells, low-yield wells, heavy oil wells, sandy wells, and deviated wells. It holds a market share exceeding 90% in the rodless progressive cavity pump extraction segment of PetroChina's Changqing Oilfield, facilitating digitalized, energy-efficient, safe, and reliable high-efficiency oil recovery within the petrochemical industry.

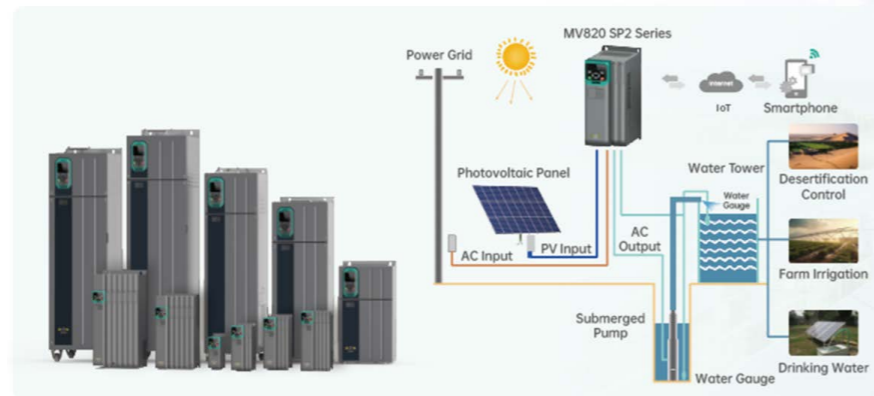


Freezing and Cold Chain Control Series Solutions

MEGMEET's cold chain control solutions encompass variable frequency drives, logic controllers, sensors, connection harnesses, and comprehensive testing equipment required for complete unit production. Leveraging advanced technologies applied across all stages of the cold chain, these solutions address system configuration challenges spanning production, transportation, refrigeration, and retail. By optimizing system setup throughout the entire process, they reduce total lifecycle costs and assist customers in achieving objectives related to cost reduction, operational efficiency, and environmental responsibility.

Solar Pump Inverter(Pompage Solaire)-MV810/820(SP2) Series

MEGMEET's MV810/820(SP2) Series variable frequency drive, designed specifically for photovoltaic (PV) water pumping applications, is developed based on the Company's next-generation MV800 general-purpose vector control platform and fully addresses the practical operational requirements of PV water pumping systems. The product converts direct current (DC) generated by PV arrays into alternating current (AC), driving various types of water pumps with high operational efficiency. It provides a reliable water supply essential for production and daily living in remote areas where conventional power infrastructure is weak or lacking. In practical applications, the MV810/820(SP2) specialized drive is widely deployed across multiple scenarios, including residential water supply, agricultural field irrigation, dryland watering, urban landscape maintenance, desert water lifting, and livestock farm water supply. In terms of technical efficiency, the PV inverter achieves a maximum MPPT (Maximum Power Point Tracking) algorithm efficiency of 99%. The system features an integrated control and drive design, offering compatibility with asynchronous motors, permanent magnet synchronous motors, and brushless DC (BLDC) motors. This solution significantly reduces reliance on traditional grid electricity, thereby substantially lowering carbon emissions associated with power consumption.



Portable Solar Generator

MEGMEET offers portable solar generators and power stations tailored for both residential and commercial markets under the Cola Series (also marketed as the YECO Series in overseas markets). This product line features a comprehensive tiered power portfolio designed to address a wide spectrum of clean energy backup requirements across diverse application scenarios. The entry-level offerings, available in 300W and 500W configurations, are suitable for outdoor camping and emergency charging of small electronic devices such as smartphones and laptops. The mainstream tier provides power capacities ranging from 1,000W to 1,200W, serving as a reliable backup power source for household appliances—including fans, routers, and rice cookers—during short-term operation. For more demanding applications, the advanced tier offers a power range of 2,000W to 2,200W, capable of supporting high-power appliances such as air conditioners and electric ovens. The flagship tier delivers power output exceeding 3,000W and features a wheeled design for enhanced portability, making it well-suited for large-scale backup power scenarios including residential yards and agricultural farms. By offering an alternative to traditional gasoline generators, this portfolio of portable energy storage solutions contributes to the reduction of carbon emissions while enhancing energy accessibility and emergency preparedness for both households and outdoor settings.



4 Water Resource Utilization

MEGMEET strictly complies with the *Water Law of the People's Republic of China* and the *Regulations on Water Conservation*, and has continuously implemented management requirements such as planned water use, categorized metering, water balance testing, routine inspections, and water consumption statistics, thereby continuously advancing water resource management in greater depth.

Zhuzhou Electric, a subsidiary of our company, carries out water-saving evaluations as required, implements separate metering for domestic water and production water, improves the allocation of water metering instruments, and conducts water balance testing or water use audits on schedule. Over the past three years, it has recorded no cases of water use exceeding either planned quotas or prescribed limits. In new construction, renovation, and expansion projects, it has strictly ensured that water-saving facilities are designed, constructed, and commissioned simultaneously with the main project, while fully implementing the “four requirements in place” for water use planning, water-saving targets, water management systems, and water-saving measures. Yihe Sanitary Ware has established systems including a responsibility system for water conservation management positions, a routine inspection system for water conservation, and a water use statistics system. It also conducts water-saving evaluations on a regular basis, continuously enhancing the standardization and effectiveness of water use management.

MEGMEET's water is sourced primarily from municipal water supplies, and water consumption at its operating bases is mainly for domestic use. The table below presents the consolidated water consumption of the subsidiaries within the MEGMEET Group from 2023 to 2025.

Water Consumption Indicator	Unit	2023	2024	2025
Total water consumption	ton	184,155	213,689	304,876
Total water consumption intensity	Ton per RMB ten thousand Of Operating Revenue	0.22	0.24	0.32

In terms of water-saving practices, our company has continuously promoted the replacement of water-saving fixtures, equipment upgrades, and recycling and reuse measures in light of the production and operational characteristics of different bases. Zhuzhou Electric has extensively adopted water-saving fixtures, including sensor-activated and pedal-operated devices, in public buildings and dormitory areas. Comprehensive assessment of the water-saving retrofit results shows that the water-saving rate exceeded 10%. Yihe Sanitary Ware has comprehensively adopted water-saving fixtures in water-use scenarios such as restrooms across its plant area, and has equipped its facilities with condensate return tanks, wastewater treatment units, and rainwater treatment equipment, achieving a water-saving rate of over 95%. In the production process, Yihe Sanitary Ware recycles water used for flushing tests and ensures zero discharge. Wastewater from ceramic cleaning and ultrasonic cleaning is filtered through filter cloth, settled, and then reused, further improving the repeated utilization of water resources. Meanwhile, our company also reduces leakage, seepage, and overflow and improves overall water use efficiency through daily inspection and maintenance of water supply systems, pumps, and water-use facilities.

At the same time, our company has extended water resource utilization to the product end, promoting synergy between water-saving concepts and product R&D. Yihe Sanitary Ware integrates the concept of sustainable development into product design and manufacturing. Its innovatively developed water-saving sanitary products once won the “Advanced Water-Saving Product Award,” and certain smart toilet models obtained the China Water Conservation Certification Certificate issued by the China Quality Certification Center, reflecting our company's continued investment in the development of water-saving products and green manufacturing.

In response to water resource utilization risks, our company has carried out ongoing assessments in light of its business characteristics. Overall, our company's water resource risks remain relatively manageable. During the reporting period, there were no direct or indirect material impacts on water resources caused by changes in water withdrawal, water consumption, drainage, or water storage volumes.



5 Environmental Compliance Management

Governance

MEGMEET complies with the *Eco-Environmental Code of the People's Republic of China* and has formulated management policies such as the *Environmental Management Manual*, establishing an environmental management mechanism directly led by the General Manager and specifically coordinated and implemented by the Safety and Environment Department. The General Manager of our company oversees major decisions on production safety, environmental protection, and occupational health and safety, and supervises the implementation of national laws and regulations. As an independent second-tier department, the Safety and Environment Department is responsible for the implementation of the environmental management system, risk prevention and control, and routine supervision. It has clearly defined responsibilities at all levels and established a management structure covering policy formulation, process supervision, risk prevention and control, and closed-loop rectification. The Board of Directors and management regularly review reports on environmental performance, supervise the progress of environmental targets, and incorporate environmental compliance into the overall risk management and strategic decision-making of our company, ensuring the effective integration of environmental compliance issues into major decisions.



MEGMEET Environmental Management System Certification Certificate

Blue Valley Environmental Management System Certification Certificate

Our company has obtained and continuously maintained ISO 14001 Environmental Management System certification, and regularly conducts internal audits and management reviews to ensure continual improvement and compliant operation.

Strategy

Risk Type	Time Horizon of Impact	Risk Description and Impact	Countermeasures
Compliance risk	Medium to long term	Our company's production and business operations involve requirements related to environmental protection laws and regulations, environmental impact assessment, pollutant discharge management, waste disposal, and emergency management. If such requirements are not properly implemented, environmental compliance risks may arise and adversely affect the stability of daily operations.	Taking compliance with environmental protection laws and regulations, pollution prevention, and strengthened risk prevention and control as the core requirements of environmental management, our company continuously carries out environmental impact assessments and pollutant discharge management in accordance with the law, and implements relevant requirements throughout the entire process of daily operations and production management.
Pollutant emission risk	Short to medium term	The operation and management effectiveness of treatment facilities for exhaust gas, wastewater, and solid waste are directly related to the level of pollutant emission control. If treatment facilities operate unstably or monitoring is inadequate, the risk of pollutant emissions and environmental incidents may increase.	Our company continues to promote the construction of environmental protection facilities and the operation and management of pollution prevention and control facilities, invests in treatment facilities for exhaust gas, wastewater, and solid waste, establishes an environmental monitoring system, and strengthens environmental monitoring and information disclosure to reduce the risk of pollutant emissions.

Opportunity Type	Time Horizon of Impact	Opportunity Description and Impact	Countermeasures
Compliance opportunity	Medium to long term	By systematically embedding environmental protection requirements into the entire production and operation process, our company can continuously improve the standardization of environmental management and strengthen its environmental compliance management capabilities.	Our company takes compliance with environmental protection laws and regulations, pollution prevention, strengthened risk prevention and control, and the safeguarding of production safety and employee health as the core requirements of environmental management, and continuously advances their implementation through institutional development and daily management.
Opportunity for stable operation assurance	Medium to long term	By improving pollution treatment facilities, environmental monitoring systems, and emergency management arrangements, our company can reduce the risks of pollutant emissions and environmental incidents, thereby supporting stable operations.	Our company continues to promote the construction of environmental protection facilities, environmental monitoring and information disclosure, environmental emergency response plans, and the operation and management of pollution prevention and control facilities, while carrying out environmental impact assessments and pollutant discharge management in accordance with the law.

Impact, Risk, and Opportunity Management

Our company has formulated the *Emergency Response Plan for Environmental Incidents*, which clearly specifies key aspects such as emergency response, handling procedures, and division of responsibilities, thereby providing institutional support for the rapid and effective response to environmental emergencies. Our company continues to carry out environmental audits and third-party supervision. Each year, our company conducts internal environmental audits to identify potential risk points and formulate corrective measures, thereby establishing closed-loop management. At the same time, professional institutions are engaged annually to conduct audits of exhaust gas, wastewater, and solid waste treatment processes to ensure the effectiveness and compliance of relevant measures.



Hazardous Waste Management Training



Environmental Management Training

Our company also places importance on raising environmental awareness and strengthening environmental management capabilities. Our company regularly organizes environmental knowledge training and awareness campaigns to communicate knowledge related to environmental laws and regulations to employees, enhance their awareness of the importance of reducing waste, pollutants, and toxic gas emissions, and encourage employees to actively participate in environmental protection efforts. In 2025, the employee coverage rate for environmental protection training reached 100%.

Metrics and Targets

Our company has established and continuously tracks key environmental performance indicators to ensure that environmental targets are closely aligned with operational realities. In 2025, all environmental indicators of our company achieved favorable results, no major environmental violations have occurred, laying a solid foundation for continuous improvement.

Category	Indicator	Year 2025	Progress Toward Target
Environmental audit	Employee coverage rate for environmental protection training	100%	Full employee coverage
	Number of environmental emergencies	0	Zero-incident record maintained
Pollutant emissions	Compliance rate of pollutant emissions	100%	Compliance maintained for three consecutive years
Waste treatment	Compliant disposal rate of hazardous solid waste	100%	Full coverage by qualified entrusted enterprises
	Pass rate of third-party compliance audits for hazardous waste	100%	Achieved target

Pollutant Emissions

Our company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, has formulated the *Emergency Plan for Wastewater Inspection, Discharge, and Treatment*, and continues to improve management policies and control measures for various types of exhaust gas and wastewater, thereby continuously enhancing its environmental management standards.

Adhering to the principles of "reduction, resource utilization, and harmless treatment," our company identifies wastewater, exhaust gas, solid waste, and noise as key environmental impact factors in environmental compliance management based on its production processes and operational characteristics, and has established a whole-process management mechanism covering the generation, collection, treatment, discharge, monitoring, storage, transfer, and emergency disposal of pollutants.

During the reporting period, our company ensured that pollutant emissions from all operational activities strictly complied with national environmental protection laws and regulations. Our company received no complaints from employees or local community residents regarding any adverse impacts, and was not subject to any material administrative penalties or criminal liability due to pollutant emissions.

Type of Pollutant	Pollutant Treatment Measures
Exhaust gas: mainly including welding exhaust gas, injection molding exhaust gas, and crushing dust; the main pollutant types are tin and its compounds, fumes, particulate matter, volatile organic compounds, etc.	<ul style="list-style-type: none"> Welding exhaust gas is treated through activated carbon adsorption and then discharged at a height of 15 meters through an exhaust ventilation system. Emissions comply with the secondary emission limit requirements set out in Table 2 of the <i>Integrated Emission Standard of Air Pollutants (GB 16297-1996)</i>. Organic exhaust gas from the injection molding workshop is collected through a centralized ventilation and collection system. The collected exhaust gas is treated through "UV photocatalysis + activated carbon adsorption" and then discharged at a height of 15 meters through exhaust stacks on the plant rooftop. Dust generated during the crushing process is relatively limited and is discharged in an unorganized manner.
Wastewater: externally discharged wastewater mainly consists of domestic sewage; the main pollutant types are chemical oxygen demand, animal and vegetable oils, suspended solids, biochemical oxygen demand, ammonia nitrogen, petroleum substances, total phosphorus, etc.	<ul style="list-style-type: none"> Domestic wastewater is pretreated through septic tanks within the plant area. After meeting the indirect discharge limit requirements of the <i>Discharge Standard of Water Pollutants for Electronic Industry (GB 39731-2020)</i>, it is discharged into the municipal sewage pipeline network.
Noise: mainly generated by production equipment and auxiliary equipment	<ul style="list-style-type: none"> During equipment selection and procurement, advanced and low-noise production equipment is prioritized to reduce noise generation at the source. For high-noise equipment, soundproof rooms are installed, and the layout density of equipment in workshops is reasonably controlled to reduce the impact of noise on the working environment. For high-noise vibrating equipment, vibration-isolation foundations or shock-absorbing pads are installed to reduce the impact of vibration on equipment and personnel. Maintenance and upkeep of production equipment are strengthened to ensure that equipment remains in good operating condition, thereby further reducing noise and vibration.

Waste Treatment

Our company has formulated and implemented the *Waste Management Measures* and the *Hazardous Goods Management Measures*, clearly defining classification standards, disposal procedures, and division of responsibilities. All factories have established dedicated hazardous waste storage rooms and implement zoned and categorized storage. In addition, all factories maintain hazardous waste disposal ledgers to ensure full-process traceability. During the reporting period, the compliant disposal rate of both hazardous waste and non-hazardous waste of our company reached 100%.

Waste Classification and Disposal Practices:

- Recyclable general solid waste generated by our company, including plastics, packaging cartons, and domestic waste, is entrusted to qualified recycling companies for recovery and reuse;
- Non-recyclable general solid waste generated by our company, such as office waste and kitchen waste, is collected and transported uniformly by sanitation authorities;
- Hazardous waste generated by our company, including paint residue, used rags and gloves, and used packaging drums, is entrusted to licensed entities for compliant disposal, with hazardous waste transfer manifests duly signed;
- All factories of our company have established independent hazardous waste warehouses for temporary storage and are equipped with anti-leakage and anti-dispersion facilities; the storage environment for hazardous waste is inspected regularly to prevent leakage and cross-contamination;
- Our company has formulated the *Emergency Response Plan for Environmental Incidents* and conducts targeted emergency drills for hazardous waste leakage scenarios.

Indicator	Unit	2025
General solid waste	ton	1,946.47
General solid waste intensity	ton/RMB ten thousand of Operating Revenue	0.0021
Hazardous waste	ton	152.27
Hazardous waste intensity	ton/RMB ten thousand of Operating Revenue	0.00016

6 Circular Economy

MEGMEET has established a Green Packaging Committee to promote the coordinated participation of departments including R&D, production, procurement, and marketing in green packaging management. It has formulated the *Green Packaging Design Specifications* and conducts supervision and evaluation of the implementation and effectiveness of relevant standards. Meanwhile, our company has established dedicated departments responsible for the recovery and reuse of recyclable components and materials, thereby promoting the circular flow of resources in both the production and usage stages.

Our company incorporates the principles of "reduction, reuse, and harmless treatment" throughout the entire process of product and packaging management. At the product design and development stage, our company incorporates raw material selection, production, sales, use, recycling, and disposal into eco-design considerations. At the procurement end, it reviews suppliers' environmental issues in the production process, toxic waste pollution, packaging materials, and waste emissions, and gives priority to green suppliers. During the use stage, our company prioritizes recyclable and degradable materials, optimizes packaging design, reduces unnecessary packaging material inputs, and explores reusable packaging solutions for certain products or components to reduce packaging material consumption and waste generation. At the final disposal stage of products, our company seeks to minimize the types of packaging materials used for finished equipment and informs users of appropriate recycling steps through labeling.

Hazardous Substance Management

MEGMEET has clearly defined ten categories of controlled substances, including lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, and four phthalates. Our company has established a Hazardous Substance Management Committee and developed supporting institutional documents such as the *Material Environmental Protection Certification Specifications*. At the design source, eco-design concepts are introduced to realize the substitution of hazardous substances. On the supply chain side, suppliers are required to sign the *Declaration Agreement on Non-use of Hazardous Substances* and are included in the audit scope. During production, environmental protection defects are defined as "critical defects," and materials exceeding standards are rejected directly. For finished products, third parties are entrusted to conduct random inspections in accordance with EU RoHS standards and implement standardized labeling. Meanwhile, our company continuously improves hazardous substance management by setting quantitative targets and carrying out supplier training.

To protect electronic circuit boards, our company has independently developed a conformal coating. This product was developed on the basis of research conducted by our internal expert team and through the introduction of advanced overseas technologies and materials. Compared with conventional conformal coatings, the self-developed conformal coating does not contain aromatic hydrocarbon solvents such as benzene, toluene, and xylene. Its solvent composition is unique and environmentally friendly, achieving the effective substitution of hazardous substances.

Circular Economy-Related Indicator	MEGMEET 2025 Data	Management Effectiveness
Compliance of packaging labeling with domestic and international regulations (such as plastic restriction requirements and the EU Packaging Directive)	100%	No violations for three consecutive years
Reusable packaging utilization rate	75%	Industry-leading level

Case 1: Closed-Loop Practice of Production and Packaging Recycling at Yihe Sanitary Ware

Yihe Sanitary Ware promotes the recycling and reuse of materials and packaging materials during production. Scrap materials and defective products generated during the injection molding process are crushed and reused in production. A circulating cooling water tank is installed in the plant area for indirect cooling during the injection molding process, and the related water is not discharged but instead recycled and replenished regularly. Meanwhile, our company reuses packaging items such as paper tubes, cartons, and plastic bags multiple times, and has established supplier-specific recycling turnover boxes and material turnover codes, thereby promoting the entry of ordinary packaging materials, reusable logistics consumables, raw and auxiliary material packaging, damaged product packaging, defective waste parts, and dismantled parts into categorized recycling processes.

Case 2: Product Eco-Design and Recycling Practice at Zhuzhou Electric

Zhuzhou Electric has introduced eco-design concepts into the entire product development process, emphasizing the coordinated advancement of resource conservation, green procurement, green manufacturing, and end-of-life recycling. In terms of recycling and reuse, our company has established documents for packaging recovery and disassembly and communicates them to downstream stakeholders. At the same time, disassembly guidance for components is provided in user manuals to improve the convenience of product disassembly and recycling.

Case 3: Circular Economy Demonstration at MEGMEET Changsha Intelligent Industrial Center

The research center adopts highly efficient composite microbial degradation technology to convert 100% of canteen waste into organic fertilizer, thereby realizing the resource utilization of organic waste. The treatment process achieves the “three-zero standard” (zero discharge, zero pollution, and zero secondary pollution).

7 Ecosystem and Biodiversity Protection

MEGMEET continuously pays attention to the potential impacts of its production and business activities on ecosystems and biodiversity, and integrates ecological and environmental protection requirements into project site selection, construction implementation, production and operations, and daily management. Our company strictly complies 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 Soil Pollution*, and the *Opinions on Further Strengthening Biodiversity Conservation* issued by the General Office of the CPC Central Committee and the General Office of the State Council, as well as other relevant laws and regulations. In light of its business characteristics, our company focuses its management efforts on the layout of production bases, environmental impact control during construction, pollution prevention and control during operations, and ecological greening within plant areas, striving to minimize disturbances to soil, water bodies, vegetation, and the surrounding ecological environment arising from its business activities.

At the project planning and site selection stage, our company incorporates ecological impacts into preliminary demonstration and risk identification processes, and carries out reviews in consideration of industrial park planning, land use control, and environmental access requirements, so as to avoid locating production and operation facilities within ecological conservation redlines, nature reserves, and other ecologically sensitive or fragile areas. For new construction, renovation, and expansion projects, our company implements environmental impact assessment, information disclosure, and government filing requirements in accordance with the law, carefully identifies the potential impacts of project construction on the surrounding ecological environment, and minimizes disturbances to soil, water bodies, and vegetation systems through process optimization, construction management, and process control.

During the operational stage, our company continuously promotes compliant pollutant emissions, standardized waste disposal, and plant greening management, and coordinates the implementation of ecological protection concepts with environmental compliance management to reduce the potential impacts of its production and business activities on surrounding ecosystems. At the same time, our company pays attention to the environmental impacts throughout the full life cycle of its products and services, continuously improves the refinement of environmental management, and promotes coordination between business operations and ecological protection. During the reporting period, the areas surrounding our company's existing production and business premises did not involve terrestrial or marine key ecological function zones, ecological conservation redlines, or other nature reserves, and no material adverse impacts on ecosystems or biodiversity caused by production and operations, products, or service activities were identified.

In the future, MEGMEET will continue to improve its ecological risk identification and dynamic screening mechanisms. In light of new project layouts, the environmental characteristics of areas where its bases are located, and regulatory requirements, our company will further enhance its management of ecosystem and biodiversity protection, continuously strengthen the prevention, identification, and control of ecological and environmental impacts, and promote harmonious coexistence between corporate operations and the natural environment.



Powered by Tech, Win-Win through Chain Collaboration

Guided by the principle of "Technology for Good, Symbiotic Responsibility," MEGMEET integrates social responsibility throughout the entire value chain of R&D, production, and service, committing to building a safe, inclusive, and sustainable industrial ecosystem. In the field of scientific research and innovation, the company focuses on breakthroughs in low-carbon technologies, combined with green and sustainable supply chain management. Through industrial collaboration and partnerships with universities and research institutions, MEGMEET drives green innovation and sustainable development in the electrical industry.

SDGs Addressed in This Section



Issues Addressed in This Section

Innovation-Driven, Product Quality and Safety, Customer Service Management, Data and Information Security, Supply Chain Security

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1 Innovation-Driven

Governance

Pursuant to the *Science and Technology Progress Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and other relevant laws and regulations, MEGMEET has established core internal systems including the *R&D Management System*, the *Design and Development Management Procedure*, and the *R&D Operation Specifications*. The R&D Center is responsible for the overall management, coordination, and quality control of the product design and development process. At the same time, to fully stimulate innovation vitality and drive the translation of achievements into tangible outcomes, our company has issued complementary policies such as the *R&D Department Performance Appraisal System* and the *Organizational Implementation and Incentive Reward System for the Commercialization of Scientific and Technological Achievements*. Through clear incentive orientation and an effective assessment mechanism, MEGMEET continuously empowers its R&D teams, fostering technological innovation and realizing industrial value.

Strategy

Risk Type	Time Horizon of Impact	Risk Description and Impact	Response Measures
Technology Risk	Short-term	New businesses require substantial upfront investment, and have a long market introduction cycle, resulting in a time lag in the conversion of revenue and profits. As a result, it is difficult to realize financial returns in the short term.	Adopt comprehensive countermeasures from the perspectives of finance, operations, cooperation, and organizational mechanisms: phased and lean investment, active application for government special subsidies, and joint development with customers.
Opportunity Type	Time Horizon of Impact	Opportunity Description and Implications	Response Measures
Market Opportunity	Medium to Long-term	Some of our products have already entered the high-end markets of Europe and the United States, while the construction of its overseas bases continues to advance. Against the backdrop of global supply chain restructuring, companies with global delivery capabilities are gaining greater room for development.	Accelerate the layout of overseas R&D and production bases, improve local technical service teams, and enhance the speed and quality of global customer response.

Impact, Risk, and Opportunity Management

We use the IPD (Integrated Product Development) process as the core framework. Through embedded Decision Check Point (DCP) and Technical Review (TR) mechanisms, we systematically assess strategic alignment, return on investment, and technical feasibility at each key project stage, enabling early warning and correction of deviations and defects.

Meanwhile, leveraging the FTO (Freedom to Operate) module within its internal intellectual property (IP) management platform and embedding IP checkpoints into the PMS (Project Management System), our engineers closely track the progress of R&D projects. Through a combination of online and offline methods, they conduct IP risk assessment and mitigation at multiple stages—such as project initiation, review, and pilot testing—making risk prevention and control both proactive and process-oriented, supported by dedicated litigation management procedures.

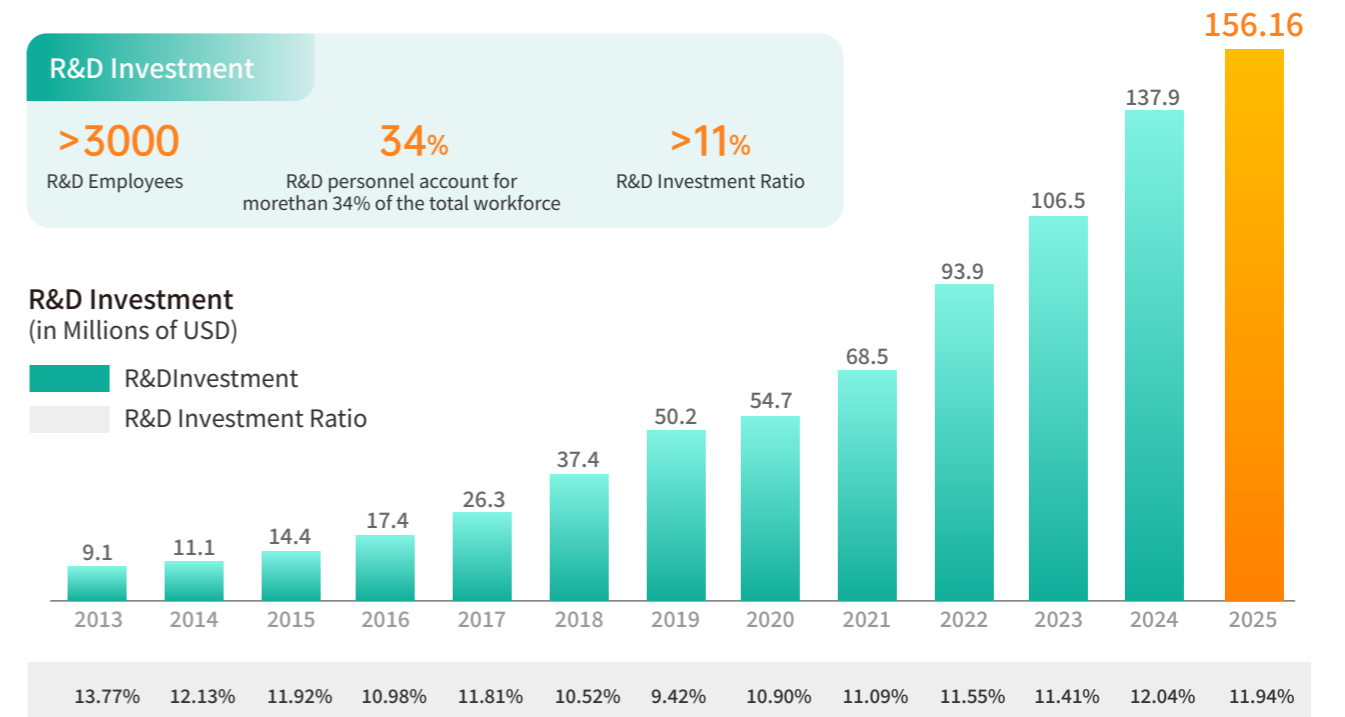
In addition, risk management encompasses all supporting elements, including talent, information, capital, and the supply chain. It prevents the leakage of core assets by managing sensitive positions and implementing product information protection systems; identifies risks in key supply chain links to ensure stable industrialization; and incorporates macro-level risks such as climate policies into its analysis to guide the development of green technology.

Metrics and Targets

Focusing on technological innovation and sustainable development, our company continuously strengthens its core competitiveness by setting phased, actionable goals.

Short-term goals (1-2 years)	Achieve breakthroughs in core technologies, launch innovative products, and digitize part of the business processes.
Medium-term goals (3-5 years)	Establish a leading technological position in the industry, launch market-competitive products, and complete digital transformation.
Long-term goals (more than 5 years)	Become a setter of industry technical standards, continuously launch innovative products, and achieve sustainable development goals.

高比例研发投入



MEGMEET Research Data Statistics Table

Indicator Description	year 2023	year 2024	year 2025
Total R&D Investment(in RMB ten thousand)	77,057.45	98,404.20	112,233.75
Number of R&D Personnel (headcount)	2,322	2,811	3,090
R&D Personnel as a % of Total Employees	35.49%	36.87%	34.74%

Intellectual Property Protection

Relying on its proprietary information management platform, our company has formulated and implemented a series of intellectual property management policies, including the *Intellectual Property Management System*, the *Intellectual Property Supplier Management System*, the *Group Trademark Use Manual*, the *Product Information Protection Management Specification*, and the *Intellectual Property Litigation Management Regulations*, thereby establishing a comprehensive management system covering patents, trademarks, copyrights, and trade names. The IP Department manages various types of intellectual property by categorizing them according to their nature, value, etc., establishes dedicated files, and assigns full-time personnel for routine supervision and maintenance, thereby achieving standardized management of innovation outcomes. During the reporting period, based on the Group's actual operations and the overall status of its intellectual property assets, as well as changes in the IP awareness among the Group's R&D personnel, our company updated the *Special Management Measures for Intellectual Property Rewards* to better align the reward policy with the Group's strategic direction.



Our company has passed the Level 1 assessment of "Innovation and Intellectual Property Management Capability" under ISO 56005:2020 *Innovation Management – Intellectual Property Management Guide*, covering the full-process management of intellectual property in the fields of power supply and automation control, thereby further solidifying the institutional foundation for technological innovation and intellectual property protection.

During the reporting period, our Group and its subsidiaries/branches conducted a total of 11 intellectual property-related training sessions, covering topics such as "Patent Search and Risk Assessment" and "Invention Disclosure Writing Skills." The total actual training duration was 14.5 hours, followed by oral and practical examinations. A total of 152 employees received the training.

In 2025, our company obtained a number of important patents, including a magnetron status detection circuit and microwave equipment, data center power supplies, smart toilets, and an industrial IoT system WEB software, providing strong support for product performance upgrades and competitiveness enhancement.



[key performance indicator]

As of the end of the reporting period: our company had obtained a total of 2,403 patents and software copyrights, of which 2,069 were valid patents; our company had revised and formulated 32 international and national standards (leading 6), and revised and formulated 32 group and industry standards (leading 11).

For the full year of 2025: our company filed 182 invention patent applications, was granted 437 patents, and added 461 new patents and software copyrights during the year.



Some patent certificates displayed

Innovative Practice

R&D and Testing Platform

MEGMEET has built a standardized, specialized, automated, and intelligent testing platform, equipped with world-class laboratory facilities. Through the "Smart Energy & Carbon Dual-Control Cloud Platform," it has achieved digital management and control of the entire R&D process, effectively ensuring the accuracy and stability of test results. Our company has established specialized laboratories for environment and reliability, function and performance, and EMC (electromagnetic compatibility), providing a solid foundation for the reliability of its testing platform.



MEGMEET's Changsha Intelligent Industry Center began planning and deployment in 2016, with construction officially starting in 2021. After two years of scheme design and engineering construction, it was completed and put into use in early 2024. Covering a total land area of 15,000 square meters and a total floor area of 75,000 square meters, it features the most comprehensive and complete testing equipment in the global power electronics field, including 48 laboratories and over 120 sets of lab equipment. Capable of accommodating more than 2,000 R&D engineers, it is a world-class testing laboratory.

Total area 7.5 square meters	Total testing area 1.5 square meters	N° of labs 48	N° of lab devices 120
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RE Lab (10M, 3M*2)



Burn-in Lab



High-speed Bench Testing



Highly Accelerated Life Test Lab



Climate/Environment Lab



Mechanical Reliability Lab

Megmeet Changsha Intelligent Industry Center

The testing capabilities and management system of our company's laboratories have been highly recognized by authoritative domestic and international organizations. Our specialized laboratories for function and performance, EMC, environment and reliability, etc., have obtained laboratory accreditation certificates from CNAS, TÜV Rheinland, UL, and others, and hold qualifications such as UL-CTF and UL-WTDP. The test results are mutually recognized globally, providing strong support for high-precision technical verification and global product access.



R&D Achievements

During the reporting period, our company and its subsidiaries obtained a number of important qualifications/certifications:

National-Level Recognitions: The Group Company was recognized as a National Enterprise Technology Center; the Group Company and its subsidiaries Shenzhen Welding and Hunan Electric were recognized as National "Little Giant" Specialized and Sophisticated Enterprises; the Group Company, Shenzhen Welding, Hunan Maigu, and Oulide were recognized as High-tech Enterprises.

Provincial-level Certifications: Hunan Electric and Zhuzhou Electric have been certified as Provincial Enterprise Technology Centers. Yihe Sanitary Ware has been certified as a Zhejiang Provincial Enterprise Technology Center. Oulide and Hunan Electric have been recognized as Provincial-level Specialized, Refined, Differential, and Innovative (SRDI) "Little Giant" Enterprises. Hunan Electric has been certified as a Provincial High-Tech Enterprise. Zhuzhou Electric has been accredited as a Provincial Engineering Technology Research Center.

City-Level Recognition: Hunan Electric was recognized as a Changsha City Technology Innovation Center.



MEGMEET High-tech Enterprise Certification

Shenzhen Welding High-tech Enterprise Certification

Certification of Provincial-level Enterprise Technology Centers

Our company's multiple patented technologies have driven technological upgrades in fields such as power supplies, electric vehicles, LED displays, and industrial automation, as specifically reflected in:

- Innovations in power supply technology have laid the foundation for the development of smart devices.
- Optimization of electric vehicle control devices has enhanced the performance and market competitiveness of new energy vehicles.
- Intelligent and automation technologies have accelerated the transformation of traditional manufacturing toward smart and automated operations.
- Technological innovations in industrial automation have helped manufacturing customers achieve more efficient production processes and improved overall productivity.

As of the end of the reporting period, our company's significant intellectual property acquisitions are as follows:

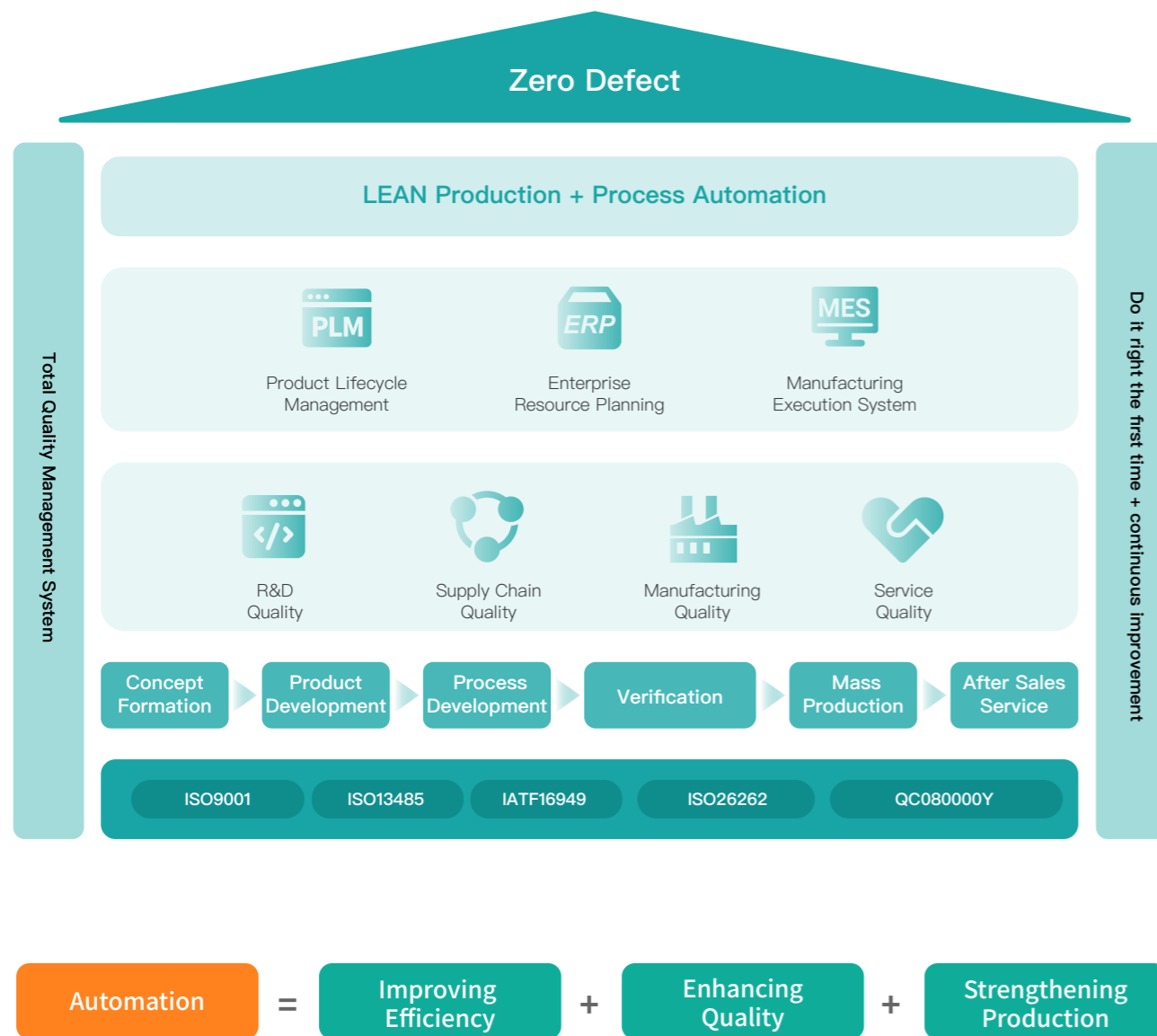
Intellectual Property Information Statistical Table				
N°	IP categories	Number	Important Intellectual Property Name List	Date Obtained
1	Invention Patent*	361	CN202110620084.9 – A Magnetron State Detection Circuit and Microwave Equipment	2025.4.4
2	Utility Model Patent	1172	CN202422222512.4 – Data Center Power Supply	2025.7.8
3	Design Patent	469	CN202430641284.7 – Smart Toilet	2025.6.6
4	Trademark	785	8151937-MEGMEET	2011.4.7
5	Software Copyright	343	2025SR1204982 – Industrial IoT System WEB Software	2025.7.9

Note*: Invention patents related to the company's main business

2 Product Quality and Safety

Governance

Our company strictly complies with the Product Quality Law of the People's Republic of China as well as domestic and international product safety regulations. We have formulated and implemented internal documents such as the Control Procedure for Nonconforming Products and established a quality management system covering the entire process. The top executive officer bears ultimate responsibility for ensuring that final products and services meet customer and legal/regulatory requirements. By establishing a quality committee and an independent quality management department, MEGMEET continuously strengthens its ability to guarantee product and service quality. During the reporting period, our company had no major liability accidents related to product safety or quality.



Production Automation

- Six automatic workshops
- **184** production lines
- Annual production capacity of PCBA **90 million pcs**



Information Automation

- Efficiently arrange and execute production plans through the information system
- Collect and control production data to oversee production schedules and maintain quality metrics
- Coordinate and optimize supply chain material management
- Conduct in-depth analysis of production data to trace defective products, optimizing the overall production process



Warehouse Logistics Automation

- 24/7 material warehousing, sorting, and distributing system
- 24m high, 85m deep AS/RS; and 20 ultra-high-speed, large capacity Miniload stacker cranes
- 160,000 plastic boxes of electronic components under management
- Up to 240m/min running speed, achieving highly efficient material storing and retrieving

During the reporting period, the group's subsidiaries obtained multiple product quality-related system certifications. Among them, Zhuzhou Electric, Shenzhen Control, Wolji, Shenzhen Welding, Hunan Weilang, Hunan Electric, Guangdong Tianjin, and Blue Valley have passed the ISO 9001 quality management system certification. Zhuzhou Electric and Hunan Electric have passed the IATF 16949 automotive industry quality management system certification and the ISO 13485 medical device quality management system certification. Yihe Sanitary Ware passed multiple authoritative certifications, including the ETL certification for smart toilets, sleep-level low-noise certification for household appliances, and CQC China Water Conservation certification, effectively ensuring product compliance and market access.



MEGMEET ISO 9001 Quality Management System Certification



Guangdong Tianjin ISO 9001 Quality Management System Certification



Blue Valley ISO 9001 Quality Management System Certification



IATF 16949 Automotive Quality Management System Certification



ISO 13485 Medical Devices Quality Management System Certification



Hazardous Substance Process Management System Certification for Electronic and Electrical Products

Impact, Risk, and Opportunity Management

MEGMEET has established and operates the *Risk and Opportunity Control Procedure*. When planning the quality management system, a cross-departmental team takes into account the internal and external environment, occupational health and safety, and the needs and expectations of relevant interested parties, identifies risks and opportunities to be addressed, and ensures that the quality management system achieves the intended results and undergoes continuous improvement.

Each department, based on its own business activities, risk assessment results, and MEGMEET's actual situation, formulates risk countermeasures, develops response measures as required, and fills out the risk assessment and response measures form, ensuring that the measures are commensurate with the potential impact of risks on products and services. The strategy team coordinates resources to promote the implementation of measures, and evaluates and records the effectiveness of implementation. Our company identifies potential emergency situations within the scope of the management system, focusing on scenarios that may cause quality accidents, environmental pollution, and occupational health and safety injuries.

We analyze and assess opportunities, identifying ways to reduce waste and improve performance through performance analysis and opportunity identification. Opportunities are managed using an Opportunity Assessment and Response Measures Form, with measures developed to account for associated risks and to be commensurate with the impact of the opportunity on product and service conformity. Risk analysis covers product recalls, product audits, return repairs, complaints, scrap, rework, and historical lessons learned, thereby strengthening risk control related to product quality.

Strategy




Risk Type	Time range of the impact	Risk Description and Impact	countermeasures
market risk	Short to Medium Term	Intense price competition for products such as new energy vehicle components, coupled with fluctuations in raw material prices and changes in product mix, puts downward pressure on the gross profit margin and affects overall profitability.	Promote cost reduction through product design, cost reduction through large-scale procurement, and manufacturing efficiency improvement; optimize the product mix, and increase the proportion of high-margin products.
Reputation Risk	long-term	Our company's products are widely used in fields with extremely high reliability requirements, such as industrial automation, medical equipment, and new energy vehicles. If batch quality issues occur, they may trigger a chain reaction including customer claims, brand damage, and restricted market access.	Improve the whole-process quality management system, strengthen design verification, supply chain quality control, and production process management, and establish product traceability and recall mechanisms.


Opportunity Type	Time range of the impact	Opportunity Description and Impact	countermeasures
Operational Opportunity	medium and long term	Demand for high-efficiency power electronic devices continues to rise in areas such as new energy vehicles, data centers (AI data center power supplies), energy storage, and industrial automation. The company's core products (on-board power supplies, industrial power supplies, and electronic control systems) directly benefit from the expansion of these industries.	Increase R&D investment in areas such as new energy vehicles and AI servers, focus on core technology upgrades, and optimize the core product layout. At the same time, through initiatives such as flexible production capacity construction, supply chain security assurance, and deepened cooperation with top-tier customers, enhance delivery capabilities, fully seize industry expansion opportunities, and consolidate core competitive advantages.



LP (lean production)


By implementing lean production, MEGMEET has effectively reduced production costs while improving product quality and production efficiency, further enhanced customer satisfaction, and optimized supply chain management.





Fully Automated Magnetics Production Line










Sheet Metal Production Line










Smart Bidet Production Line










SMT Production Line


Renewable Energy/EV/Battery Storage Production Line


Automated Production Line

Metrics and Targets

MEGMEET's quality management architecture is guided by the principle of "Do Right at the First time," with continuously raised targets and ongoing improvement to progressively achieve the ultimate goal of "Zero Defects."

Product Quality Management Measures

Over the years, Our company has consistently enhanced comprehensive cost control over its products, focusing on high cost-effectiveness. By fully leveraging its inherent strengths and addressing the specific needs of sub-sectors, it has continuously rolled out competitive solutions, thereby cementing its customized and differentiated competitive advantages within the industry.

Product LifeCycle Management

MEGMEET has established a full-lifecycle quality management system to ensure that every stage of the product—from design, development, inspection, and delivery to after-sales service—meets high standards of quality.

Design and Development Phase	Following the IPD structured process, multiple technical review points and decision review points are established to identify and address technology, quality, and delivery risks. Digital management is carried out through the PLM system, covering requirements, design documentation, BOM, and change control, while incorporating Advanced Product Quality Planning (APQP) methods to ensure design quality is controlled at the source.
Process Development and Validation Phase	Through prototype manufacturing, trial production (pilot runs), and rigorous technical reviews, dual verification of product performance and manufacturing processes is conducted to ensure readiness for stable mass production.
Batch production and delivery phase	Upon entering mass production, the Manufacturing Execution System (MES) becomes the core enabler for production scheduling, material traceability via barcode scanning, process data collection, and online quality judgment. The Enterprise Resource Planning (ERP) system collaboratively manages supply chain, inventory, and orders. On the production floor, lean production principles are integrated with automation equipment to enhance efficiency while ensuring product consistency and traceability, ultimately leading to successful product delivery.
Sales and After-Sales Service Phase	Prior to formal product launch, a detailed Availability Decision Check Point (ADCP) review must be completed. After launch, a rapid-response after-sales service system is established, committing to responding to customer feedback within 24 hours and providing repair, return/exchange, and technical support. Early Sales Support (ESS) is strictly managed, while market failure information and customer complaints are systematically collected and closed-loop feedback is provided to upstream departments.

Product Testing MEGMEET has established a professional testing center, setting up full-lifecycle testing laboratories covering EMC, reliability, lifespan, safety compliance, and failure analysis. Through strengthened verification across all stages—from R&D and production to application—product safety and reliability are comprehensively enhanced.

Product Traceability We have established a product traceability system centered on the MES. Through unified QR code management of materials, data is automatically collected across the entire process—from material receipt, production, testing, and repair to warehousing—enabling accurate bidirectional traceability from raw materials to finished products. Leveraging the *Identification and Traceability Control Procedure* and integration with PLM and ERP systems, the company ensures that sources are traceable, destinations are trackable, and accountability is assignable, effectively supporting quality control, rapid response, and compliance assurance.

Digital Management of Product Quality By deploying SMT standard equipment and self-developed non-standard PA automation equipment, establishing three major system platforms (PLM, ERP, MES), and utilizing a smart energy-carbon dual-control cloud platform, MEGMEET has achieved automated, intelligent, and low-carbon operations across the entire production process. This significantly improves production efficiency, supports our transformation toward high-end and intelligent manufacturing, and fosters the development of new quality productive forces.

Quality Culture Promotion

MEGMEET places a strong emphasis on building a quality culture and fostering employee quality awareness. Adhering to a technology-first, quality-first approach, we promote company-wide employee participation in quality management. A robust quality assessment and training system has been established, including specialized training on quality incidents, customer complaints, and typical case studies. Through continuous quality improvement initiatives, our company steadily enhances employees' professional skills and quality awareness, thereby preventing product safety and quality risks at the source.

3 Customer Service Management

MEGMEET consistently adheres to a customer-centric approach and has established a series of management policies, including the *Customer Complaint Handling Procedure*, the *Performance Appraisal and Incentive System for the Customer Service Center*, and the *After-sales Service Control Procedure*. The Customer Quality Department is responsible for communication, validation, follow-up, and timely management of complaint-related information.

Based on the development of standardized general control processes for after-sales service, our company has also established customized and dedicated after-sales processes for certain core large customers, precisely matching the differentiated service needs of key accounts, thereby effectively safeguarding customers' legitimate rights and interests as well as the cooperation experience.

To continuously optimize customer management, our company incorporates key indicators such as customer response timeliness rate, complaint resolution rate, and customer satisfaction into performance assessments, ensuring timely service responses and effective problem resolution.

During the reporting period, Hangzhou Qianjing, a subsidiary of MEGMEET, was awarded an after-sales service certification certificate for its robust after-sales service standards.



After-sale service

1 A global customer service center has been established (Shenzhen, Munich, Bangkok), supporting services in four languages: Chinese, English, German, and Thai.

2 Ten regional service centers have been established in North China, East China, South China, and other areas, equipped with dedicated technical teams to provide localized technical support.

3 The "Megmeet Service" WeChat mini program has been launched, providing smart services such as online fault diagnosis and video guidance, significantly improving the customer self-service resolution rate.

4 We have established a dedicated after-sales service process for key customers to ensure timely response, efficient service, and closed-loop issue resolution.

Customer Complaint Management

MEGMEET has established policies such as the *Customer Complaint Handling Procedure* to proactively address customer complaints and safeguard customer rights and interests. We maintain timely communication with customers through various channels—including the official website, customer service hotline, online platforms, email, and face-to-face meetings—to handle customer inquiries and complaints.

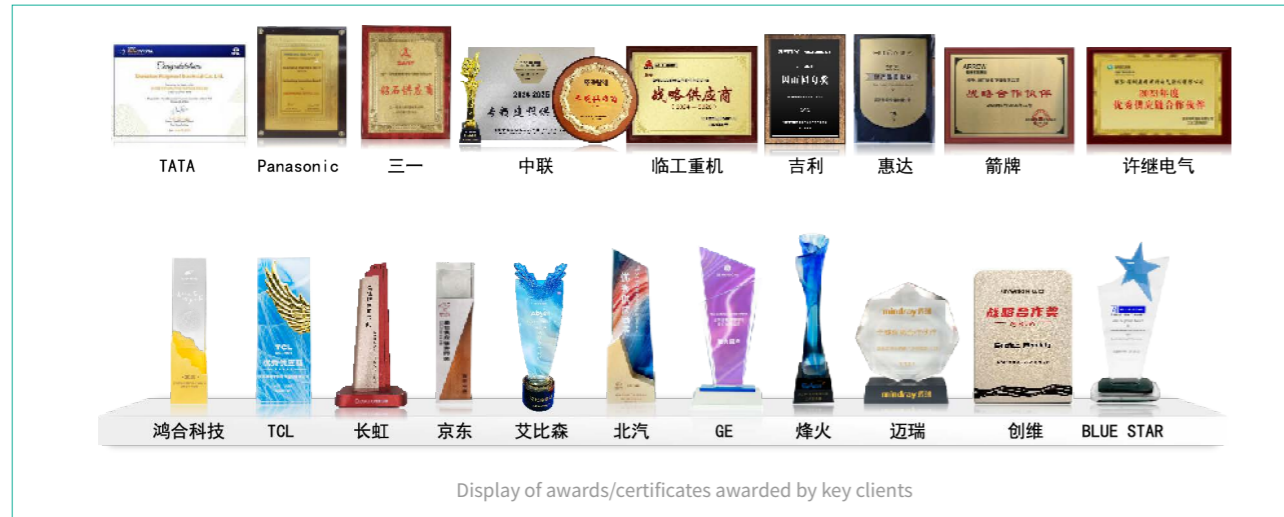
We have established a customer complaint improvement team, with members designated by the company's complaint handling personnel based on the characteristics of each complaint. The team includes staff from both direct and indirect supporting units to ensure effective resolution of customer complaints. Team members promptly conduct root cause analysis of the complaint, integrating information provided by the customer and using various testing equipment and analytical methods to investigate and verify non-conformities. They identify the root cause of the product quality issue, propose and implement corrective actions, resolve the complaint, and ensure that similar issues do not recur.

During the reporting period, the company received 347 complaints, representing a decrease of 45.78% compared to 2024, and achieved a 100% complaint resolution rate.

Customer Satisfaction Management

MEGMEET consistently adheres to a customer-oriented approach and continuously strives to enhance customer satisfaction. In accordance with the national standards *Guidelines for Customer Satisfaction Measurement Models and Methods(GB/T 19038-2009)* and *General Rules for Customer Satisfaction Measurement(GB/T 19039-2009)*, our company conducts customer satisfaction surveys through its Enterprise Information Platform (EIP). The survey covers ten aspects, including product quality, product packaging, product cost-effectiveness, transportation services, order delivery, and after-sales service. By analyzing and evaluating the information obtained from customer satisfaction surveys, MEGMEET identifies its own shortcomings and customer concerns, continuously improves product and service quality, and ultimately supports mutual development with its customers.

MEGMEET actively maintains close communication with upstream and downstream customers. Leveraging its outstanding product and service performance, we have obtained certification certificates and honorary awards from multiple partners, fully demonstrating customers' high recognition of the company's comprehensive strength.



4 Data and Information Security

Information Security Management System

In accordance with the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law*, the *Cybersecurity Law*, and industry standards (ISO 27001, GDPR), and aligned with the company's business scenarios, MEGMEET has formulated and implemented internal policies including the *Megmeet Employee Electrical Handbook - Information Security*, the *Information Security Management Reward and Punishment Regulations*, the *Information Asset Classification Management Specification*, the *Information System Security Management Specification*, and the *Data Backup Management Specification*. Key initiatives focus on cybersecurity protection, data backup and disaster recovery management, and the establishment of a data security emergency response mechanism, thereby continuously strengthening information security and confidentiality management. The Information Center is primarily responsible for leading policy revisions, investigating and auditing violations, and enforcing rewards and penalties. During the reporting period, MEGMEET experienced no leakage of core R&D data, customer data, or operational data, nor any major security attacks or data breaches.



Information Security Management Measures

MEGMEET places a strong emphasis on data security, ensuring the protection of personally identifiable information (PII), device usage behavior data, R&D data, supply chain data, and other information throughout the entire lifecycle of collection, storage, transmission, sharing, and disposal. The company has established a three-tier protection framework consisting of "Data classification and grading — Technical protection — Dynamic monitoring."

Data Classification and Rating	Based on business scenarios, MEGMEET classifies data into three categories: core R&D, customer, and operations. Correspondingly, we implement three protection levels—top secret, confidential, and internal—employing differentiated encryption and access controls to ensure precise protection and compliance management of all data types throughout the entire lifecycle of collection, storage, usage, and beyond.
Technical Protection	<p>Encrypted transmission: AES-256 encryption is applied throughout the entire lifecycle of core data, and transmission channels are upgraded to the TLS 1.3 protocol.</p> <p>Access control: Least-privilege authorization is implemented based on the RBAC model, with real-time monitoring of anomalous operations and log retention via a SIEM system.</p> <p>Endpoint protection: A document encryption system is deployed to block unauthorized outbound transfers via email, USB drives, and other means.</p> <p>Data masking: Differential privacy techniques are applied to user behavior data to ensure compliant usage.</p>
Dynamic Monitoring	<p>Continuously conduct data security risk monitoring and assessment.</p> <p>Regularly audit access rights assignments and operation logs.</p> <p>Act on feedback from customers and certification bodies to drive continuous improvement of security measures.</p>

MEGMEET has established the *Information Security Management Reward and Punishment Regulations*, which define clear principles for rewards and penalties, including a four-level penalty structure and a three-level reward structure. The scope of application covers data security management, computer management, software management, network security management, email management, instant messaging security management, office security management, and offboarding handover management, with detailed provisions for penalty and reward procedures. This initiative has significantly enhanced the enforceability and transparency of the company's information security management. By combining binding rules with positive incentives, we ensure security and control across all processes and scenarios, thereby building a digital security barrier that underpins the company's high-quality development.

Information Security Emergency Management

Our company has established an *Information Security Incident Emergency Response Plan*, improved the information security communication system, defined the reporting, notification, and handling procedures for security incidents of different severity levels, and strengthened closed-loop incident management to effectively ensure the secure and stable operation of information systems. At the same time, through multiple channels, we provide information security training for employees, partners, and customers, enhance the protection of personal privacy and trade secrets, improve the data leakage prevention technology system, strictly prevent the disclosure of core data, and deliver secure, reliable, and trustworthy services to customers.

5 Supply Chain Security

Governance

Adhering to the principles of "Safety & Compliance, Green & Low-Carbon, and Win-Win Cooperation," MEGMEET has established a comprehensive supplier management system. This system is underpinned by a suite of formal policies and procedures, including the *Supplier Management Procedure*, *Supplier Quality Assurance Agreement*, *Supplier Confidentiality Agreement*, *Supplier Social Responsibility Management Procedure*, *Supplier On-Site Audit Operating Specification*, *Supplier Performance Evaluation Operating Specification*, and *Supplier Quality, Environmental, and Social Responsibility Claim Agreement*. From a governance perspective, our Group's Supply Chain Management Center oversees the certification and procurement of common materials and establishes overarching supplier management policies and standards. This centralized oversight is complemented by cross-functional collaboration among relevant departments, ensuring end-to-end process control, regulatory compliance, and full traceability—from raw material selection through to production and final delivery.

During the reporting period, our Company actively fostered a healthy and sustainable supply chain ecosystem, upholding the principles of fairness, impartiality, and equality while safeguarding the legitimate rights and interests of our small and medium-sized enterprise (SME) partners.

Strategy

Our Company conducts supply chain risk identification and has developed the *Procurement Potential Failure Mode and Effects Analysis (PFMEA)*. This document identifies potential supplier issues, defines corresponding risk levels, and outlines specific mitigation measures, thereby enabling proactive, front-end risk control.

Risk Type	Time range of the impact	Risk Description	Countermeasures
Compliance Risk	long-term	Should a supplier's selection fail to comply with national laws and regulations or production requirements, such non-compliance would constitute a regulatory violation, disrupt production and supply continuity, and present a potential compliance exposure.	Suppliers are required to complete the <i>Preliminary Supplier Qualification Audit Form</i> and the <i>Supplier Profile and Assessment Questionnaire</i> , thereby enabling a thorough review of their background information and qualifications as part of the due diligence process. Supplier assessments are conducted utilizing the <i>Supplier Self-Assessment</i> and On-Site Audit Report, with audit criteria tailored to specific material categories to ensure a differentiated and risk-based evaluation approach. The competence of second-party auditors is governed in accordance with the <i>Supplier On-Site Audit Operating Specification</i> , under which annual audits and cross-functional joint audits are conducted to ensure a consistent and rigorous evaluation process.
Reputation Risk	Medium and long term	Inadequate supplier management may compromise overall product quality, leading to delivery delays and cost overruns, and could result in significant reputational damage and erosion of competitive positioning that is difficult to quantify.	The <i>Supplier On-Site Audit Operating Specification</i> is strictly enforced, and a phased rollout of supplier nomination specifications is being progressively implemented for automotive products. Annual and quarterly audits are conducted, supplemented by ad-hoc on-site assessments and targeted guidance, while senior-level engagement is strengthened to foster collaborative oversight. Supplier onboarding is managed in accordance with the <i>Supplier Nomination Specification</i> and the <i>Supplier Nomination Evaluation Form</i> , with the <i>Approved Supplier List</i> subject to annual review. Supplier performance is evaluated across multiple dimensions, including quality, delivery, cost, technical service, and social responsibility.

Opportunity Type	Time range of the impact	Opportunity Description	Countermeasures
Operational Opportunity	Medium and long term	Amid the accelerating trend of domestic substitution in sectors such as industrial automation and high-end power solutions, the Company is well-positioned to capture a greater share of the market in critical areas, leveraging its platform-based technological strengths.	The Company is committed to developing benchmark client cases, actively participating in the formulation of national and industry standards, and thereby strengthening its market influence in the domestic substitution landscape.

Impact, Risk, and Opportunity Management

Risk identification	Our Company utilizes the <i>Procurement Risk Control and Risk-Based Procurement Management procedure</i> to identify supply chain risks. These risks are systematically categorized into two primary types—external and internal—thereby encompassing potential risk exposures across all stages of the supply chain.
Risk Assessment	Our Company conducts periodic quantitative evaluations of identified risks, taking into account both the potential impact and likelihood of occurrence. Additionally, "Potential Failure Mode and Effects Analysis" (PFMEA) is employed to perform an in-depth examination of risks associated with critical processes, assessing their potential implications for the Company's operations and strategic development. This analysis provides a robust foundation for risk prioritization and the formulation of tiered response strategies.
Countermeasures	Our Company adopts a tiered approach to supply chain risk response, prioritizing the mitigation of high-risk exposures. Supply chain stability is effectively safeguarded through the establishment of a dual manufacturing hub model encompassing both domestic and international operations, the maintenance of a six-month strategic inventory buffer for critical chips, the deployment of intelligent early-warning monitoring systems, and the regular execution of quarterly disruption simulation drills.

Supply Chain Emergency Management

We have established an emergency response framework and conduct quarterly supply chain disruption simulation drills, which have effectively reduced the recovery time to within 48 hours.

We utilize an intelligent early-warning model to analyze geopolitical and natural disaster risks, thereby proactively mitigating potential supply disruption exposures.

Metrics and Targets

We are actively advancing the development of a green supply chain, with a core management objective centered on ensuring end-to-end product delivery stability through efficient and cost-effective operations. Concurrently, we are driving the intelligent transformation of the supply chain to accommodate the evolving requirements of diverse industry sectors.

[Key Performance Indicator]
Total Procurement Value in 2025: Over RMB 4.5 billion
Strategic Semiconductor Partnerships: Over 20 mainstream semiconductor partners
Total Number of Suppliers: Over 1,000
Suppliers with Annual Procurement Value Exceeding RMB 10 Million: Over 100
Active SKU Count: Over 70,000

Supply Chain Management Measures

Full Lifecycle Management	
New Supplier Onboarding Protocol	The company requires new suppliers to sign seven agreements covering core terms such as quality, environmental protection, and social responsibility. For potential suppliers, on-site audits are conducted as a principle (remote audits are allowed in case of force majeure), and assessments are carried out in multiple dimensions including quality, delivery, cost, service, hazardous substances, and CSR. The ratings are divided into four levels: A, B, C, and D.
Supplier Dynamic Performance Management	Monthly performance evaluations are integrated with annual surveillance audits in accordance with the <i>Supplier Performance Evaluation Operating Specification</i> . Suppliers are assessed on a monthly basis across four key dimensions: technical service, quality (including environmental compliance), cost, and delivery. The results of these evaluations serve as the primary input for the annual surveillance audit, upon which suppliers are subject to tiered management and receive differentiated incentives or corrective action plans.
Supplier Exit Mechanism	Suppliers receiving a D rating in three consecutive performance evaluations shall be subject to disqualification from the supply base upon formal approval, thereby fostering a virtuous cycle that rewards high performers and phases out underperformers.

Supplier ESG Management

Beyond onboarding compliance requirements, the Company has integrated carbon emissions assessment into its supplier CSR audit framework and has explicitly defined ten prohibited "red line" criteria—including child labor, forced labor, major occupational health and safety incidents, environmental non-compliance discharges, and business ethics violations—thereby establishing a mandatory compliance baseline that all suppliers must strictly observe. During the reporting period, the Company conducted CSR audits of over 90 suppliers utilizing the *Supplier Social Responsibility Audit Checklist*, performing a comprehensive assessment of their social responsibility performance to advance supply chain compliance, transparency, and sustainable development.

Green Supply Chain

MEGMEET has established a self-assessment mechanism through the *Supplier Hazardous Substance Scoring Sheet* and has integrated environmental compliance requirements—including RoHS, REACH, and ELV directives—into product specification management, with material compliance verified at the bill-of-materials level. Priority is given to suppliers that utilize renewable energy or adopt circular production technologies, and such suppliers are required to implement environmental management systems and undertake eco-design initiatives, thereby ensuring effective control over resource consumption, pollutant emissions, and hazardous substance usage. Concurrently, the Company conducts incoming material hazardous substance testing in strict accordance with RoHS directive standards and has developed the *Procedure for Managing Non-Conforming Hazardous Substances in Materials*, which enables the interception and closed-loop management of environmentally non-compliant materials. As a result, the rectification rate for supplier environmental issues reached 100%. During the reporting period, the Company conducted hazardous substance management system audits for 84 newly onboarded suppliers to verify alignment with the Company's requirements.

Avoidance of Conflict Minerals

The Company strictly adheres to the principles established by the Responsible Minerals Initiative (RMI) and the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, among other recognized frameworks. Utilizing the Conflict Minerals Reporting Template (CMRT), the Company conducts due diligence on the source and chain of custody of tin, tantalum, tungsten, and gold (3TG) within its supply chain and completes information verification as required by customers. The Company maintains a firm policy of neither procuring nor supporting the use of conflict minerals that directly or indirectly finance armed conflict in affected regions. Specialized audits on the use of conflict raw materials are conducted biennially to prevent the introduction of conflict minerals into the supply chain. During the reporting period, the Company carried out conflict minerals inquiries covering 218 suppliers, with no instances of non-compliance identified.

Supplier Training

During the reporting period, the Company delivered over ten training sessions on hazardous substance management requirements and over forty training sessions on CSR system management to its suppliers. These initiatives are designed to continuously enhance supplier capabilities in environmental compliance and social responsibility management, thereby advancing the sustainable development of the supply chain.



6 Industrial Cooperation and Development

University-Industry Research Collaboration

MEGMEET consistently places talent strategy at the core of its development agenda, committed to fostering a high-quality talent ecosystem that drives technological innovation and sustainable advancement within the industry. In 2025, the Company further deepened its engagement with academic institutions, collaborating with over 30 universities across Central, East, South, and Northwest China. These partnerships encompass the establishment of joint laboratories, internship bases, and technical exchange platforms, as well as the creation of dedicated scholarships and grants, thereby providing young talent with dual pathways for research practice and career development.

Focused on the forefront of industry technology, the Company has engaged in research and development collaborations with leading universities, including Zhejiang University, City University of Hong Kong, Hunan University, Xi'an University of Science and Technology, and South China University of Technology, supporting students in addressing advanced and cutting-edge research topics. To enhance its appeal to top talent, the Company has implemented a comprehensive lifecycle management framework centered on "attract, develop, utilize, and retain," offering customized career growth trajectories from campus recruitment through to on-the-job empowerment.

Leveraging its global R&D network, MEGMEET continues to intensify investment in core technologies, unlocking talent value through innovation and injecting sustained momentum into the development of the intelligent electrical sector. During the reporting period, the Company's total expenditure on university-industry collaboration exceeded RMB 1.5 million.

In recent years, MEGMEET has actively deepened industry-university-research collaborative innovation, establishing partnerships with multiple universities and research institutions, including South China University of Technology, Zhejiang University Hangzhou International Science and Innovation Center, Xi'an University of Science and Technology, Zhejiang University City College, Taizhou Research Institute of Zhejiang University of Technology, Taizhou Vocational and Technical College, and Taizhou Research Institute of Zhejiang University. The corresponding industry-university-research projects have all achieved successful R&D outcomes, with a high conversion rate into industrial applications and favorable market reception.

Industry Association Participation and Exhibition Engagement

MEGMEET actively participates in industry associations and engages in peer-exchange exhibitions, benchmarking against leading enterprises while collaborating with outstanding small and medium-sized partners across the industry and supply chain to jointly pursue a path of sustainable development. Through continuous technological innovation and market expansion, MEGMEET consistently strengthens its core competitiveness, thereby contributing to the prosperity and advancement of the electrical industry.

Through active membership in over 30 industry associations and organizations—including the China Power Supply Society, IEEE, PMIC, China Mechatronics Technology Application Association, China Industrial Electrical Appliances Association, China Welding Technology Association, Shenzhen Experts and Talents Federation, and Shenzhen Automation Association—MEGMEET consistently upholds a philosophy of proactive engagement and mutually beneficial collaboration. The Company participates substantively in industry association initiatives, leveraging extensive exchanges and cooperation with peers to benchmark against industry leaders and work in concert with outstanding small and medium-sized enterprises across the value chain in pursuit of sustainable development pathways. Through sustained technological innovation and market expansion, MEGMEET continues to reinforce its core competitiveness, thereby making a significant contribution to the prosperity of the electrical industry.

In 2025, MEGMEET actively participated in a wide range of international industry exhibitions and forums, engaging in substantive dialogue with global customers to accurately gauge evolving market demand trends. The Company's presence extended to over 20 countries, with participation in more than 50 exhibitions throughout the year.



Yihe Sanitary Ware at the 2025 KBC Kitchen and Bathroom Exhibition



Fostering Cohesion, Building Harmony

MEGMEET remains steadfast in its people-oriented approach, strictly establishing a standardized and equitable employment framework in compliance with applicable laws and regulations. The Company continuously refines its compensation and benefits packages, career development pathways, and training mechanisms to effectively safeguard the legitimate rights and interests of all employees.

MEGMEET places a high priority on occupational health and safety, maintaining robust management systems and comprehensive training and drill protocols to consistently cultivate a safe, healthy, equitable, and respectful working environment.

The Company actively fulfills its social responsibilities and is deeply committed to green operations and sustainable development. Through concrete actions, MEGMEET seeks to give back to society, achieving synergistic progress and long-term shared value creation among the enterprise, its employees, society, and the environment.

The corresponding SDG target



Topics Covered in This Section

Protection of Employee Rights and Interests | Occupational Health and Safety | Social Contribution

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- 3、Social Contribution 86



1 Protection of Employees' Legitimate Rights and Interests

MEGMEET has established its employee management system in strict accordance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, ensuring compliance and fairness in recruitment, dismissal, compensation, promotion, working hours, leave and other management practices. The Company recruits and dismisses employees under the principles of openness, impartiality and fairness. It conducts exit interviews with former employees to understand their genuine feedback, improve employee management processes and job performance, ensure the compliance and fairness of dismissal decisions, and safeguard employees' legitimate rights and interests.

Compliant Employment

MEGMEET adheres to equal and compliant employment and is committed to creating a fair, just, safe and healthy working environment. The Company strictly prohibits child labor and forced labor. Based on compliance with laws and regulations of various countries and regions, it has formulated a number of employment management systems including the *Management Regulations on Prohibition of Forced Labor* and *Management Procedures for Relief of Child Labor and Protection of Minor Workers*. It also explicitly prohibits the recruitment of child labor in the *Employee Handbook* to ensure compliant employment and protect employees' legitimate labor rights and interests. Meanwhile, the Company has developed the *Code for Protecting Employees from Discrimination and Harassment*, specifying requirements for anti-discrimination, anti-harassment and anti-maltreatment, and established an employee reporting and protection mechanism to effectively safeguard the legitimate rights and interests of all employees.

The Company continuously improves its employee management system by formulating normative documents such as the *Operating Specifications for Labor Contract Management*, *Management Specifications for Social Recruitment* and *Operating Specifications for Recruitment and Onboarding*, clarifying and protecting the rights and obligations of both employers and employees, standardizing management and supporting the Group's development. It adopts a talent introduction model combining open social recruitment and internal referral, adheres to comprehensive evaluation and merit-based employment, and ensures that all applicants enjoy equal employment opportunities regardless of race, religion, age, gender, marital status and other factors.

The social insurance coverage rate of the Company's employees remained 100% from 2023 to 2025.

Key Employee Performance Indicators 2025	
Number of active employees at the end of the reporting period	8,894
Professional Composition	
Category of Professional Structure	Number of people in each professional category (Person)
Production Staff	4,211
Sales Staff	945
Technical Staff	3,090
Financial Staff	94
Administrative Staff	554
Education Level	
Education level category	Number of people
Doctorate & Professor	12
Master's Degree	547
Bachelor's Degree	3,440
Junior College	1,803
Below Junior College	3,092

Remuneration and Benefits

MEGMEET strictly abides by national and local labor laws and regulations to protect employees' rights to wages, working hours, rest and leave. The Company has established the *Management Procedures for Freedom of Occupational Choice* and set up employee feedback channels to ensure timely protection of employees' legitimate rights and interests.

In accordance with the *Labor Law of the People's Republic of China*, the Company has formulated the *Employee Remuneration Management Measures* to build a fair, competitive, incentive-based, economical and legal remuneration system. The system is linked to employees' job qualification levels, covering five major job families, and specific remuneration grades are approved by the Human Resources Committee.

Performance Evaluation and Feedback

The Company upholds the assessment principles of "objectivity, impartiality and openness". Through the *Employee Performance Management Measures*, it has built a diversified performance evaluation system that balances internal fairness and market competitiveness. In process management, the Company has established a full-process feedback and appeal mechanism featuring "timely communication and investigation upon appeal". If an employee disagrees with the assessment result and fails to resolve it through communication with the supervisor, he/she may apply to the Human Resources Department for a review within the appeal period. The Human Resources Department promises to issue a fair ruling within 5 working days through multi-dimensional in-depth investigations (covering supervisors, peers, subordinates and business partners), and formally feed back the result to the employee and his/her department, ensuring the transparency and credibility of performance appraisal.

Benefit System

The Company defines its employee benefit system through the *Employee Remuneration Management Measures* and *Employee Handbook*. On the basis of providing statutory benefits such as pension and medical insurance, it continuously expands corporate benefit programs in line with its development, forming a comprehensive and flexible benefit security mechanism to effectively enhance employees' sense of gain and belonging.

Statutory Benefits

Social insurance and housing fund, statutory leave

Corporate Benefits

Meal allowance, commercial insurance, interest-free loans, subsidies, equity incentives, employer liability insurance, overseas accident insurance

Employee Promotion and Development

Employee Training

MEGMEET has formulated the *Training Management System* and *Overseas Training Management System*, and promotes Group-wide training management under the principle of "company-wide planning, hierarchical implementation". The Human Resources and Administration Center sorts out key training programs at each stage based on the Group's strategic planning and business unit training needs, and formulates the annual Group training plan. Oriented by employees' personalized needs, it fully references job training programs, professional course libraries, knowledge lists and other materials, and proposes appropriate training methods and course content to meet employees' growth and business development needs. The Company conducts effectiveness evaluations for all training programs and optimizes them timely based on evaluation results. It also arranges assessments for knowledge and operational training to strengthen learning outcomes and verify training quality.

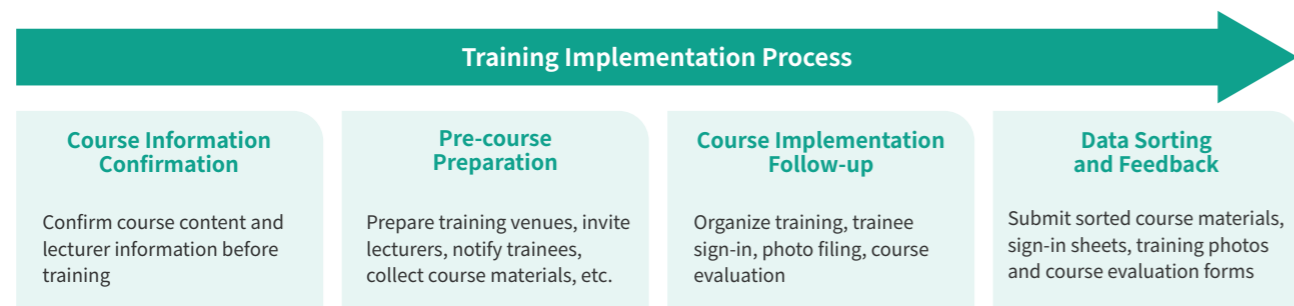
The Company prioritizes internal lecturer resources to enhance internal resource sharing and standardize the management of part-time internal lecturers. It has formulated the *Management Measures for Part-time Internal Lecturers*, clarifying requirements for lecturers' qualification standards and lecture fees. In terms of internal lecturer development, the Company identifies internal experts with specific skills or knowledge, encourages them to become internal lecturers, and provides teaching skills training to improve knowledge delivery capabilities. Meanwhile, it actively sources external lecturer resources through industry professional networks, recruits external lecturers with practical experience, and cooperates with professional

training institutions, industry associations and academic institutions to continuously introduce high-quality teachers. To optimize the lecturer team, the Company has established a regular evaluation mechanism to assess teaching effectiveness and optimize the team accordingly. It also improves incentive and feedback mechanisms to ensure lecturers adjust teaching content and methods timely based on corporate needs and employee feedback, continuously improving training quality.



In 2025, a total of 1,741 training courses (including new courses) were planned, **1,497** courses were actually completed, **244** courses were delayed/canceled, and the training plan completion rate reached **86%**.

Company-level Training	Organized and followed up by the Human Resources Department for all levels of employees, including new employee onboarding training, management cadres training, internal lecturer training, general quality and skill training, key skill/knowledge/system process training, and implementation of externally introduced intensive training programs.
Business Unit-level Training	Planned and implemented by training administrators of each first-tier unit for internal employees, including workflow training, basic professional skill training, experience sharing, practical drills, etc.
External Training	Overseas or external training can be applied for to cultivate talents for key positions and scarce specialties, and improve corporate management and technical capabilities.



The company's Human Resources Department has identified key training programs for each phase based on the corporate strategic plan and the training needs of various business units.

New Employee Development Programs

- Social Recruitment Newcomers – "Eagle Training Camp"
- Campus Recruitment Newcomers – "Eaglet Training Camp"
- New Workers – "Soldier Training Camp"
- New Team Leaders – "Elite Training Camp"
- New Employee Probation and Regularization Management – "On-the-job Training and Regularization Management"

On-the-job Empowerment Programs

- Online Team Leader Improvement – "Elite Training Camp"
- Reserve Cadre Development – "Brigadier General Training Camp"
- Management Cadre Capability Improvement – "Strong General Training Camp"
- Second/Third Echelon Management Cadres – "Major General Training Camp"
- Monthly Courses – "On-the-job Skill Improvement"

Various Training Activities

Eagle Training Camp (Social Recruitment Newcomers)

The Company adopts centralized training focusing on team integration to standardize new employee onboarding and probation management. Training is delivered in a hybrid online-offline model: online learning via the E-learning platform with 8 checkpoints and 10 courses covering company introduction, values interpretation, safety training, information system security, financial expense reimbursement, etc., with an online assessment required upon completion; offline courses include *Company and Product Introduction, Onboarding Guide, Company Tour* and team challenges for corporate culture integration. A total of 340 participants in Shenzhen, with an offline training coverage rate of 92%, effectively helping new employees integrate quickly.



Eaglet Training Camp (Campus Recruitment Newcomers)

Centered on four goals of culture integration, role transformation, team integration and professional consolidation, the Company cultivates reserve talents. A total of 303 new college graduates participated in intensive training held simultaneously in Changsha, Shenzhen and Zhuzhou. The curriculum is developed with business departments in advance, combining offline theoretical training and online learning maps to continuously optimize the training system. Cultural integration activities such as outward bound training, executive meetings, personal growth stories and workplace sharing enhance corporate culture identity and team cohesion. Learning outcomes are fully assessed through regularization defense and Eaglet summary activities in the later stage.



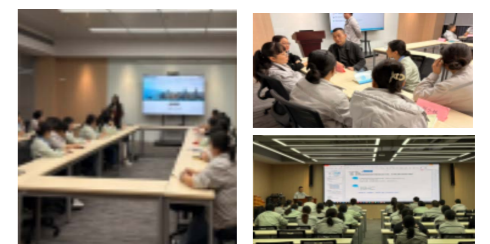
Soldier Training Camp (New Workers)

Special training is provided for new workers at the Zhuzhou manufacturing base, covering company and product introduction, corporate culture, rules and regulations, daily conduct, quality policy, ESD, 7S, ROHS and EHS awareness. Training data: 16,171 Type A participants with 16,103 passing (99.58% pass rate); 7,239 Type B participants with 7,052 passing (97.42% pass rate), laying a solid foundation for new employees to adapt to posts and standardize operations.



Elite Training Camp (New Team Leaders)

Held semi-annually with a mentor coaching mechanism, the program systematically develops reserve talents. A total of 37 participants (16 foremen, 21 team leaders), 2 dropped out due to illness and work conflicts, with a 100% retention rate and 94.6% training retention rate, reflecting the effectiveness of the training system and high participation.



Vanguard Training Camp

Systematic training for 2024 junior college graduates, held twice a year, combining offline courses and online learning platforms with on-site practice, DingTalk group management, assessments and periodic feedback. 77 participants from the 2025 Chemical Engineering Class, 61 retained (79.2% retention rate). Training stages: Phase 1 (10 theoretical courses, 8.5 hours, 100% pass rate); Phase 2 (November–December: 118 monthly reports collected, 54 issues surveyed, regular seminars to track growth).



Grassroots Management Reserve Training

To strengthen managers' understanding of behavioral performance and team management methodology, the Company optimized *Manager Role Cognition* course (adding 12 management competencies), developed *Building High-Performance Teams* course, and co-created *From Professional to Management Experience Sharing* course across regions. A total of 5 on-site training sessions, 13 lecturers, 436 participants, with an overall course satisfaction score of 9.3 and 97% coverage.



Management Experience Sharing Series

To promote best practices across departments, the Company held training sessions including *Road Vehicle Business Unit Cost Reduction Path Sharing* (400+ participants), *Oulead Reform Management Experience Sharing* (400+ participants), *Road Vehicle Business Unit Quality Management Experience Sharing* (in progress). Cross-cultural training: *China-Thailand Cross-Cultural Communication* (700+ participants), *China-India Cross-Cultural Communication* (300+participants). *Excellent Project Management Experience Sharing* (100+participants), facilitating internal experience replication and improving management capabilities.



Mentor Coaching

The Company has established a sound mentor selection and probation management mechanism. Mentors are designated by department heads: employees with ≥ 2 years of service, positive performance, cultural alignment, no violations and core team performance. Mentors provide coaching-based guidance, develop job learning maps, conduct regular performance reviews, and complete online probation management records and training plans within 3 working days of a new employee's onboarding. They are fully responsible for new employee development, culture integration and daily guidance, as well as probation adaptation, skill improvement and regularization. Probation management ensures timely mentoring and on-time regularization.



流程完整性 ↔ 过程时效性 ↔ 审核完整性

Training Type/Theme	Number of Training Sessions 2025
Social Responsibility	23
Trade Security	1
Work Safety	181
Management Skills	256
Engineering & Technology	577
Quality System	226
Comprehensive Quality	86
Fresh Graduate Development	62
Onboarding Training	85
Total Training Sessions	1,497
Total Training Cost (RMB ten thousand)	83.78

Promotion Mechanism

The Company has formulated the Employee Job Position Management Specifications, clarifying employment rules, processes, management bodies and responsibilities. It focuses on employees' career development and provides a smooth dual-channel promotion system and broad horizontal development space.

Career Ladder & Grade System Overview

Job Family	Job Category	Reference Position	Position		
Management Family	Employee types	Technical Family	Employee types		
				12 CEO, COO, CTO, CFO	11 Chief Scientist
				11 Group Deputy General Manager	10 Senior Principal Expert
				10	9 Principal Expert
				9 Department General Manager	8 Senior Staff Engineer
				8 Department Director	7 Senior Engineer
				7 Department Manager	6 Engineer
					5 Assistant Engineer
					4 Sample Preparation Technician
		3 Cleaning Team Leader			
		2 Cleaner			
		1 General Operator			

Promotion channels for R&D personnel



The Company has established an employee skill improvement incentive mechanism, providing registration fee subsidies for skill certificate examinations such as PMP, low-voltage electrician certificates and welder certificates. It implements expense reimbursement for intermediate and senior professional title applications: full reimbursement for those who pass, half reimbursement for those who fail.

Employee Care and Activities

Employee care is a core mission of MEGMEET. Through a series of concrete measures, the Company demonstrates care and support for employees, enhancing their well-being and work motivation.

Employee Exchange Meetings

The Company continuously builds a comprehensive employee care system, regularly holding new employee seminars and graduate seminars to promote communication, enhance team cohesion and talent belonging. Rich cultural activities are organized around traditional festivals, sports events and cultural & sports associations to foster a positive and harmonious organizational atmosphere.

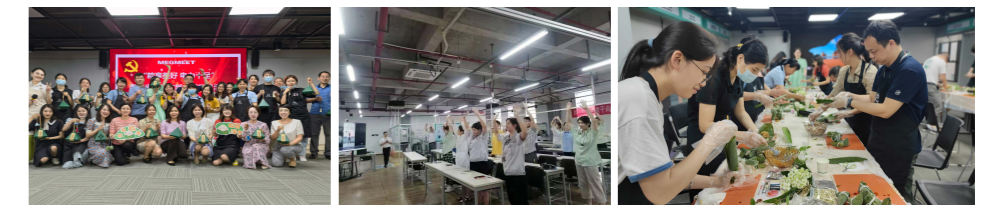
Support for Employees in Need

The Company attaches great importance to caring for employees in need, establishing a management system for financial assistance and care services. In 2025, the Company launched a Group-wide donation for family members of sick employees, supporting 2 employees in need with a total aid amount of RMB 305,814.46.



Female Employee Care

The Company regularly organizes mental health lectures, health physiotherapy and other welfare activities to focus on employees' physical and mental health. It cares for female employees through Women's Day activities and implements the parental leave policy: 10 days of parental leave per year for employees with children under 3 years old, providing all-round protection.



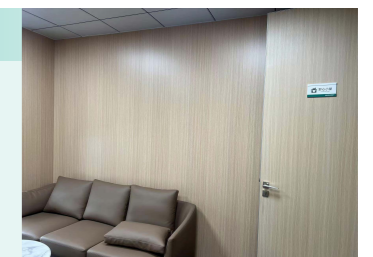
Party Branch Activity

Health Lecture

Party Branch Activity

Case: Employee Psychological Counseling Room

Megmeet Changsha Intelligent Industry Center has set up an employee psychological counseling room equipped with a dedicated external psychological counseling team, providing personalized psychological counseling services for employees. It offers a safe and private space to address psychological distress from work and life.



Democratic Management and Communication

The Company has established and improved the employees' congress system as a core platform for democratic management and employee rights protection. Through the employees' congress, the Company implements the employee director selection mechanism to ensure employee representatives directly participate in major corporate decisions, protecting employees' legitimate rights and interests from the governance source.

To broaden democratic management channels, the Company has built an internal forum as a regular platform for employees to express demands and feedback opinions. Through the forum, management can timely listen to frontline voices, understand employee concerns, and effectively protect employees' right to information and participation.



During the reporting period, the Company newly formulated safety management systems including the *Safety Management System for External Operators* and *Safety Observation and Communication Procedures*, and revised and improved a number of documents such as the *Emergency Preparedness and Response Control Procedures* and *Operating Instructions for Wearing Labor Protection Articles*.

During the reporting period, Shenzhen Megmeet Electric Co., Ltd. and its holding subsidiary Blue River Valley continuously held the ISO 45001:2018 Occupational Health and Safety Management System Certification.

Occupational Health Protection Measures

Occupational Health Risk Management

In risk prevention and site management, the Company adopts the LEC risk assessment method to identify and classify occupational health risks, quantitatively evaluating risk exposure time, severity and number of exposed personnel. It establishes and reports a major hazard source list, improves a multi-channel hidden danger investigation mechanism, conducts regular inspections with closed-loop management, and encourages full participation in hidden danger detection.

Emergency Management

MEGMEET has established a sound emergency management system covering three types of emergencies: chemical leakage, fire and explosion, and terrorist violence, building a full-process control mechanism of "Prevention first, hierarchical response, collaborative disposal and continuous improvement" to fulfill compliance and principal responsibilities in environmental and social aspects.

In risk prevention and emergency preparedness, the Company accurately identifies hazard factors of various emergencies, defines key prevention parts such as chemical storage areas, production workshops and densely populated areas. It reduces accident risks from the source through standardized container use, daily safety inspections, improved emergency protection facilities, full-staff safety training and emergency drills. Meanwhile, it establishes a comprehensive emergency support system, clarifies the composition and responsibilities of the emergency headquarters and special teams (e.g., comprehensive coordination, rescue), allocates sufficient emergency supplies and equipment, and improves communication mechanisms to ensure efficient emergency response.

In emergency disposal and response, the Company formulates standardized procedures for different emergencies, clarifying operational norms for alarm, evacuation, on-site control and aftermath. It adheres to the "people-oriented" principle, prioritizing personnel safety while preventing environmental pollution and property losses. For chemical leakage, it standardizes disposal methods for liquid, solid and gaseous leaks to control secondary risks; for fire and explosion, it specifies requirements for fire fighting, rescue and material transfer; for terrorist violence, it builds a three-dimensional prevention system of human, physical and technical defenses with hierarchical response measures.

In system optimization and continuous improvement, the Company establishes a regular review and dynamic improvement mechanism for emergency plans, optimizing content based on legal updates, operational changes and drill feedback to fill management gaps. Through regular training and drills, it improves full-staff emergency awareness and disposal capabilities, promoting standardized, refined emergency management.

During the reporting period, Megmeet Zhuzhou Base held a total of 24 emergency drills covering fire, anti-terrorism, mechanical injury, chemical leakage, electric shock and food poisoning.

2 Occupational Health and Safety Management System

Occupational Health and Safety Management System

MEGMEET has formulated the *Occupational Health and Safety Control Procedures*, improved organizational guarantees, established a safety committee and trade union, clarified the responsibilities of the Safety Management Department, formulated special target plans, and promoted performance and inspection by all departments, forming a pattern of "full participation, hierarchical responsibility and collaborative control".

The Company regularly tests hazards in the workplace and publicizes relevant systems and test results; standardizes labor protection supplies management, reasonably arranges positions and controls labor intensity, prohibits risky operations, and opens channels for reporting "three violations". For female employees, the trade union leads the implementation of "five-phase" protection in strict accordance with the *Special Provisions on Labor Protection for Female Employees*, reducing quotas and arranging rest for pregnant employees, and ensuring working hours for prenatal examinations, reflecting humanistic care. The Company standardizes operation sites, requires employees to practice "three-no-harms" (no harm to oneself, no harm to others, no harm by others), optimizes equipment protection, and reduces safety and occupational health risks.



Megmeet Occupational Health and Safety Management System Certification Certificate

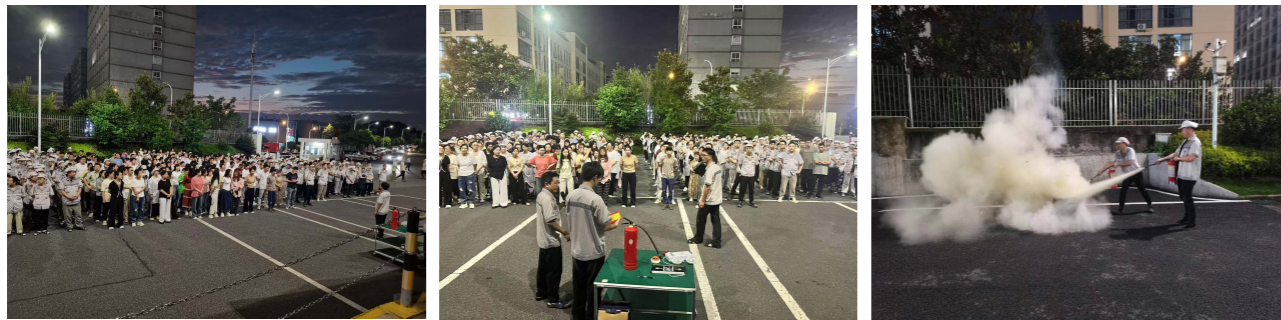


Blue Valley Occupational Health and Safety Management System Certification Certificate

Anti-Terrorism Drill



Nighttime fire drill



Chemical Spill Emergency Drill



Emergency drill for electric shock incidents



Safety Training

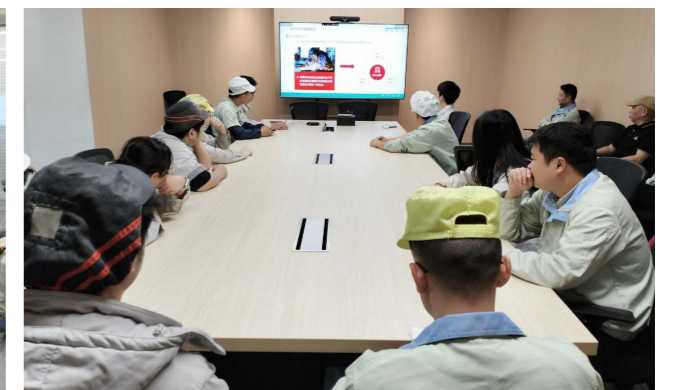
On this basis, subsidiaries promote system implementation: Zhuzhou Electric formulated the *Safety Training Management Measures*, carrying out regular emergency drills and skill training to integrate emergency response capacity into daily management, improving full-staff emergency awareness and practical capabilities. The Company formulates and implements annual occupational health safety training and drill plans, adopting a hierarchical training model (Safety Management Department trains safety officers, who then train employees), with sign-in and assessment via QR code answering, based on the annual training plan.

During the reporting period, MEGMEET's safety training covers the full process of production and operation safety control, focusing on two core areas:

1. Special safety management training: covering fire safety, special equipment and operation safety, hazardous waste management, comprehensive production safety, chemical safety, to strengthen risk identification and prevention.
2. Practical skill and protection training: including first aid, summer heatstroke prevention, handling tool safety, electrical safety, and correct use of labor protection articles, to improve on-site operation and emergency capabilities.



Safety Training on Personal Protective Equipment



Work Safety Management Training



Safety Accident Event Analysis and Safety Training



Electrical Safety Training



During the reporting period, Megmeet Zhuzhou Base held 14 occupational health and safety training sessions.

Occupational Disease Prevention Measures

The Company attaches great importance to employee occupational health and safety, formulating and strictly implementing the *Occupational Disease Prevention Management System*. It systematically identifies occupational disease hazards in welding, grinding, shot blasting and other operations, and fulfills disclosure obligations during recruitment. For toxic and harmful posts, it implements standardized employment management, clarifying occupational health examination requirements for onboarding, transfer, in-service and offboarding, standardizes post adjustment for employees with occupational contraindications and occupational diseases, equally protects dispatched employees' occupational health rights, and prohibits arranging minor workers, pregnant and lactating female employees to engage in hazardous operations. It also improves occupational health archives, keeping complete records of employment history, hazard exposure, examination results and medical data.

For hazard prevention, the Company adheres to the principle of "prevention first, source control", strictly implements the "three simultaneous" system for construction project occupational health, and controls dust, toxic gases, noise and ionizing radiation. It reduces hazards through process improvement, equipment sealing, purification and personal protection, standardizes site management and conducts regular emergency drills. The Company establishes a regular monitoring, testing and evaluation mechanism for occupational disease hazards, entrusting professional institutions to conduct annual workplace testing, setting monitoring points and publicizing results, timely rectifying non-compliance items to improve the working environment and prevent occupational diseases.

In addition, the *Employee Handbook* stipulates that employees must wear personal protective equipment correctly before entering specific posts or operations. Combining institutional constraints and skill training, the Company moves occupational health risk prevention forward to the operation front-end.

Work Safety Measures

The Company continuously strengthens occupational health and safety governance for subsidiaries and production bases. Zhuzhou Electric formulated and implemented the *Fire Safety Control Procedures*, clarifying fire and explosion prevention and response processes, strengthening fire facility maintenance and fire safety organizations, and conducting regular drills and inspections to prevent fires and protect personnel and property.

The Company has formulated the *Safety Inspection Management Measures*, clarifying that the Safety Committee oversees safety supervision, inspection and closed-loop management. It defines inspection content, scope and frequency, and establishes a *Safety Inspection Problem Statistics Table* to realize traceable hidden danger investigation and rectification, ensuring group safety standards are implemented at all levels.

The Company prioritizes employee labor protection and physical and mental health, conducting regular physical examinations, providing labor protection supplies and facilities, and strictly implementing national labor safety and social security standards.

Indicator	Target	2023	2024	2025
Number of work-related fatalities	Person	0	0	0
Number of work-related lost workdays	Day	747.5	799	882
Work-related injury insurance expenditure	RMB ten thousand	240.74	348.98	476.13
Work-related injury insurance coverage rate	%	100	100	100

3 Social Contribution

The Company values corporate social value. While developing itself, it fulfills its due responsibilities and obligations, pays taxes in accordance with the law, cares for vulnerable groups, supports social charity, actively participates in public welfare activities, and strives to build a good corporate image.

Community-Enterprise Cooperation · Lantern Festival Warmth Delivery

Content

Consolation materials and greetings for disadvantaged families and empty-nesters

Beneficiaries & Quantity

~100 households/people

Investment

Rice, cooking oil, ~RMB 3,500



Public Welfare Blood Donation

Content

Voluntary blood donation

Beneficiaries & Quantity

Multiple employees



Zhejiang University Scholarships & Grants

Content

For nine consecutive years, the company has collaborated with the School of Electrical Engineering at Zhejiang University on student assistance programs, offering 10 scholarship awards and 6-7 financial aid grants to support students in completing their studies. As of December 2025, over 200 students have received these awards and grants

The company also established the Megmit Scholarship and Financial Aid Program to recognize outstanding students in the School of Electrical Engineering at Zhejiang University and to assist financially disadvantaged students in successfully completing their university education.

Beneficiaries & Quantity

200+ students



Smile Foundation Medical Clinic

Content

In April 2025, the company collaborated with the Indian charitable organization Smile Foundation to launch a public welfare medical initiative. The program not only provided systematic and comprehensive health examinations for over 1,200 local residents but also distributed free medications to patients suffering from common and chronic diseases. Additionally, specialized lectures were conducted focusing on two core themes: women's health and child nutrition, aiming to educate residents on disease prevention and daily hygiene practices. This dual approach of "diagnostic and therapeutic support" and "health education" effectively safeguarded community health.



Beneficiaries & Quantity
1,200+ residents

Investment
RMB 25,000

Mediways Medical Clinic

Content

In August 2025, the company further intensified its medical philanthropy initiatives by partnering with the Mediways Health Foundation. Through financial donations and joint event organizations, the collaboration provides free medical assistance specifically to local female students and their family members, precisely addressing the health needs of women and their families. This initiative effectively alleviates the shortage of medical resources in remote areas and demonstrates the company's commitment to improving healthcare conditions and enhancing public health outcomes in India's underserved regions through sustained practical actions.



Beneficiaries & Quantity
1,200+ residents

Investment
RMB 25,000

Employee appreciation

Content

We actively pay attention to the practical difficulties faced by our employees and their families, and promptly extend a helping hand so that employees can truly feel the warmth and support of the group. We launched a group-wide fundraising campaign for the families of employees suffering from illnesses, and received 1,767 donations totaling RMB 305,814.46.



Beneficiaries & Quantity
2 people

Investment
RMB305,814.46

Poverty Alleviation

Content

Purchasing agricultural products for counterpart poverty alleviation

Investment
RMB 20,120

Appendix

ESG Key Performance Data Sheet

Climate Change Response

Indicator	Unit	2023	2024	2025
Total GHG Emissions	tCO2e	24,327,917.63	23,721,492.79	24,322,671.27
Scope 1 GHG Emissions	tCO2e	1,180.50	522.80	1,626.18
Scope 2 GHG Emissions	tCO2e	20,289.39	26,744.98	51,827.25
Scope 3 GHG Emissions	tCO2e	24,306,447.74	23,694,225.01	24,269,217.84
GHG Emission Intensity	tCO2e/RMB ten thousand of Operating Revenue	29.33	26.81	25.87

Note 1: The greenhouse gas accounting scope is limited to ten entities under the MEGMEET Group, including Zhuzhou Electric, Yihe Sanitary Ware, Megmeet Thailand, and Shenzhen Megmeet. The calculation and statistical methods adhere to the GHG Protocol greenhouse gas accounting system.

Note 2: Scope 1 greenhouse gas emissions refer to direct emissions resulting from the consumption of natural gas, gasoline, and diesel by the company's own equipment and vehicles.

Note 3: Scope 2 greenhouse gas emissions refer to indirect emissions resulting from the company's purchased electricity.

Note 3: Scope 3 - Main sources of greenhouse gas emissions include: purchased goods and services; capital goods; fuel and energy-related activities; upstream transportation and distribution; operational waste; business travel; employee commuting; upstream leased assets; downstream transportation and distribution; processing of sold products; use of sold products; disposal of sold products; downstream leased assets; franchising; and investment.

Energy Utilization

Indicator	单位	2023	2024	2025
Total Power Consumption	MWh	36,924.16	47,728.75	101,034.91
PV Power Consumption	MWh	1,549.15	1,529.06	3,358.22
Municipal Power Consumption	MWh	35,375.01	461,99.69	97,676.68
Comprehensive Energy Consumption	tce	4,537.98	5,865.86	12,417.19
Comprehensive Energy Consumption Intensity	kgce /RMB ten thousand of Operating Revenue	5.48	6.64	13.21

Waste disposal

Indicator	Unit	2024	2025
Hazardous Waste	ton	4.11	152.27
Total Non-hazardous Waste	ton	2,177.71	1,946.47

Note 1: Hazardous waste refers to waste that possesses toxic, corrosive, flammable, reactive, infectious, or other hazardous properties, which may pose direct or potential risks to the ecological environment or human health.

Note 2: Non-hazardous waste refers to waste that does not possess hazardous properties such as toxicity, corrosiveness, flammability, reactivity, or infectivity, and that does not pose significant harm to the ecological environment or human health during normal treatment or natural degradation processes.

Water Resources Utilization

Indicator	Unit	2023	2024	2025
Total Water Consumption	ton	184,155	213,689	304,876
Total Water Consumption Intensity	ton / RMB ten thousand of Operating Revenue	0.22	0.24	0.32

Data Security

Indicator	Unit	2023	2024	2025
Data Security Incidents	Count	0	0	0
Customer Privacy Breach Incidents	Count	0	0	0

Employee Statistics

Employee Category	2023	2024	2025
Number of active employees	6,543	7,624	8,894
Professional Structure			
Category of Professional Structure	Person		
Production Staff	3,141	3,514	4,211
Sales Staff	617	765	945
Technical Staff	2,322	2,811	3,090
Financial Staff	85	92	94
Administrative Staff	378	442	554
Education Level			
Education level category	Person		
Doctorate & Professor	8	9	12
Master's Degree	240	379	547
Bachelor's Degree	2,363	2,927	3,440
Junior College	1,345	1,520	1,803
Below Junior College	2,587	2,789	3,092

Employee Training and Development

Indicator	Unit	2023	2024	2025
Social Responsibility Training	sessions	148	257	23
Trade Security Training	sessions	15	30	1
Work Safety Training	sessions	139	163	181
Management Skills Training	sessions	283	273	256
Engineering & Technology Training	sessions	95	184	577
Quality System Training	sessions	164	193	226
Comprehensive Quality Training	sessions	174	153	86
Fresh Graduate Development Training	sessions	68	87	62
Onboarding Training	sessions	195	265	85
Total Training Sessions	sessions	1,281	1,705	1,497

Innovation-driven

Indicator	Unit	2023	2024	2025
Proportion of R&D investment in main business revenue	%	11.53%	12.04%	11.94%
Number of R&D personnel	Persons	2,322	2,811	3,090
Proportion of R&D personnel in total employees	%	35.49%	36.87%	34.74%

Executive Remuneration

Indicator	Unit	2023	2024	2025
Number of Directors, Supervisors and Senior Management	Persons	10	10	11*
Total Remuneration of Directors Supervisors, and Senior Management	RMB ten thousand	750.40	781.52	676.27
Total Employee Remuneration	RMB ten thousand	111,789.48	142,974.50	177,543.47
Remuneration Ratio of Directors, Supervisors, and Senior Management	‰	6.7‰	5.5‰	3.8‰

Note*: During the Reporting Period, one independent director of the Company completed their term and left office; due to the dissolution of the supervisory board, three supervisors left office, among whom one was transferred to serve as an employee representative director.

Supply Chain Management

Product Category	Number of Suppliers Providing Products to Magmit in 2024	Number of Suppliers Providing Products to Magmit in 2025
Category 1 - Semiconductors	380	460
Category 2 - Magnetic Components	210	114
Category 3 - Metal Structural Parts	200	185

Business Ethics

Anti-Commercial Bribery and Anti-Corruption Training Statistics				
Indicator	Unit	2023	2024	2025
Number of directors trained	Persons	5	5	6
Percentage of directors trained	%	100	100	100
Number of management personnel trained	Persons	409	451	503
Percentage of management personnel trained	%	100	100	100
Number of employees trained	Persons	6,129	7,168	8,385
Percentage of employees trained	%	100	100	100

Corporate Governance

Indicator	Unit	2023	2024	2025
Number of Shareholders' Meetings held	Sessions	2	2	5
Number of Board of Supervisors Meetings held	Sessions	5	8	6
Number of Board of Directors Meetings held	Sessions	6	8	7

Report Preparation Standards Index Table

Section of This Report	Corresponding SZSE Provisions	Reference GRI Topic Disclosures
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Message from the Chairman	/	/
About MEGMEET	/	2-1 Organizational details 2-6 Activities, value chain and other business relationships
Governance	/	2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body 2-19 Remuneration policies 2-20 Process to determine remuneration 2-27 Compliance with laws and regulations
due diligence	Article 52	/
Stakeholder Communication	Article 9 Article 53	2-29 Approach to stakeholder engagement
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