



Address: No. 62 Jinniu East Road, Zhukeng Community, Longtian Street, Pingshan District, Shenzhen, Guangdong Province, China
Postal code: 518118
Tel.: 0755-81449633
Email: chinasc@chinasc.com.cn
Website: www.chinasc.com.cn

2025

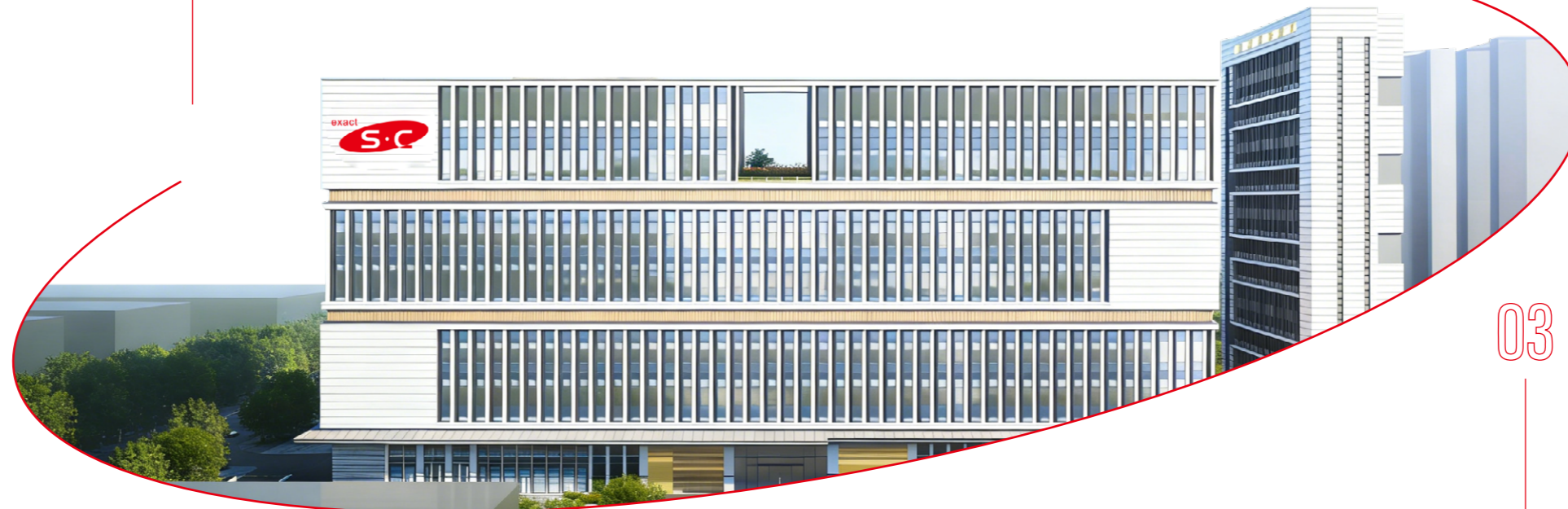
SHENZHEN S.C NEW ENERGY TECHNOLOGY CORPORATION

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT

Contents

About This Report 03

Message from Chairman 05



About S.C 07

Introduction	07
Business Overview	08
Development History	09
Corporate Culture	09
Major Honors and Qualifications	11
Major Events in 2025	15
Key Performance	17

01 Strengthening Foundations through Governance and Promoting Development through Standardization 19

Sustainable Development Governance	21
Scientific and Standardized Governance	25
Optimizing Internal Control and Compliance	27
Strengthening Investor Relations Management	30
Upholding of Business Ethics	31

02 Advancing Green Manufacturing and Building a Low-Carbon Ecosystem Together 33

Response to Climate Change	35
Environmental Compliance Management	38
Scientific Control of Pollution Emission	39
Efficient Resource Utilization	41
Biodiversity and Ecosystem Protection	42

03 Advancing Technology Synergy and Shaping the Industry's Future 43

Empowering with Technological Innovation	45
Deepening Responsible Procurement	54
Delivering Excellent Products and Services	58
Enhancing Customer Experience	62
Properly Protecting Information Security	63

04 Growing Together to Build a Better Future 65

Protection of Employees' Rights and Interests	67
Employee Democratic Development	72
Promoting Employee Growth	74
Occupational Health and Safety	76
Giving Back to Society Through Concrete Actions	82

Appendix 83

Key Performance Form	83
Indexes	90
Feedback Form	92

About This Report

Introduction

This is the third Environmental, Social and Governance (ESG) report (hereinafter referred to as the “Report”) issued by Shenzhen S.C New Energy Technology Corporation (hereinafter referred to as “S.C” or the “Company”). In the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company’s environmental, social and governance practices and performance for the year 2025.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 (the “Reporting Period”). To improve the comparability and perspicacity, some sections of this report may be appropriately referred to previous years, thus containing forward-looking statements. This report is released on an annual basis, consistent with the fiscal year.

Reporting Scope

The Report primarily focuses on “S.C”. Unless otherwise specified, the organizational scope of the Report covers Shenzhen S.C New Energy Technology Corporation and its subsidiaries (for details, please refer to the 2025 Annual Report of Shenzhen S.C New Energy Technology Corporation).

Preparation Basis

- Shenzhen Stock Exchange *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*
- Shenzhen Stock Exchange *Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange—Preparation of Sustainability Report*
- China Enterprise Reform and Development Society *Guidelines for Sustainability Report of Chinese Enterprises (CASS-ESG 6.0)–General Framework*
- UN Sustainable Development Goals (SDGs) 2030
- *Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”)*

Data Sources and Reliability Assurance

All information and data referenced in the Report are sourced exclusively from the official documents, statistical reports and financial statements of the Company, including internal data and public information of all departments and business units of the Company (collected, garnered and audited by the Company). In relation to certain topics, the Company may review and extend any part of this report to ensure the completeness and continuity of elucidation. Unless otherwise specially indicated, RMB is adopted as the unit for measurement of money. When there is any discrepancy between financial data and the annual report, the annual report should prevail.

Appellation Description

Term	Interpretation
S.C, the Company, we, us	Shenzhen S.C New Energy Technology Corporation
Changzhou S.C	Changzhou S.C Exact Equipment Co., Ltd.
S.C Smart Equipment	Changzhou S.C Smart Equipment Co., Ltd.
Tronway	Tronway Changzhou Co., Ltd.
Jiejia Xinchuang	Shenzhen Jiejia Xinchuang Technology Co., Ltd.

Access to this Report

The Report is published in electronic form. To obtain a copy, you may download and read the electronic version from the official website of the Shenzhen Stock Exchange (<http://www.szse.cn/>), CNINFO (<http://www.cninfo.com.cn>), and the Company’s official website (<http://www.chinasc.com.cn>).

If you have any comments or suggestions regarding the Report, please contact us via the following:

Address: No.62, Jinniu East Road, Zhukeng Community, Longtian Street, Pingshan District, Shenzhen, Guangdong Province, China
Postal code: 518118
Tel.: 0755-81449633
Email: chinasc@chinasc.com.cn

Message from Chairman



Mr. Zuo Guojun

Shenzhen S.C New Energy Technology Corporation

Over the past year, the global wave of energy transition has surged forward, and the photovoltaic industry has undergone deep adjustments amid both opportunities and challenges. S.C has consistently upheld a long-termism philosophy, building core capabilities to withstand risks and achieve sustainable development through a solid financial foundation, advanced technological expertise, and an efficient operational system.

Against the backdrop of global climate change, tightening international trade rules, and the diversified evolution of photovoltaic technology pathways, we remain focused on deepening our core values and respond to short-term fluctuations with strategic resilience, firmly believing that the long-term trend of the energy revolution is irreversible. At the same time, we integrate ESG principles into our development strategy and corporate management while continuously improving ESG governance, and strive to build a transparent and trustworthy business environment through strengthening anti-fraud mechanisms and resolutely resisting unfair competition. We adhere to green innovation and actively assume social responsibility to promote coordinated development among all stakeholders, building the future of the industry together.

Upholding Our Green Commitment and Practicing Low-Carbon Operations

As a practitioner of clean energy, the Company consistently advances the “carbon peaking and carbon neutrality” goals through technological innovation and continues to deepen its presence in the photovoltaic sector. In terms of our own green operations, we actively utilize clean energy. Through the construction of self-owned distributed power stations, our annual power generation reached 8.0801 million kWh, reducing carbon emissions through concrete actions and contributing to global climate governance.

Advancing Technology Synergy and Shaping the Industry’s Future

In 2025, the Company’s R&D investment ratio was RMB 0.607 billion. We have consistently regarded high-intensity R&D investment as the engine driving industry progress, enhanced resource utilization efficiency through refined management, and strengthened organizational foundations through talent development. The rapid growth of the younger generation of R&D talent is becoming a key force enabling the Company to navigate industrial cycles and lead transformation.

We focus on the development and promotion of high-efficiency, low-consumption photovoltaic production equipment and strive to create green products. Our perovskite whole-production-line equipment has passed commercial acceptance, while core equipment for TOPCon, BC, tandem cells and others continues to be iteratively upgraded, creating value beyond expectations for customers through technological innovation. At the same time, we are vigorously advancing digital transformation to achieve digital control across the entire production process and optimizing product quality and reducing energy consumption through lean manufacturing.

Expand into Multi-Sector Markets to Achieve Diversified Growth

In 2025, the company has made significant strides in cross-industry exploration. Building upon its semiconductor equipment foundation, it has established technological platforms for lithium batteries, electronic circuits and others, achieving industrial structure optimization while enhancing innovation capabilities and R&D capabilities in related fields. The company aims to become an internationally leading provider of new energy equipment and services, systematic solution integrators, domestic supplier of semiconductor equipment and service provider of technological innovation, thereby creating new growth opportunities for the Company.

Growing Together to Build a Better Future

We are committed to building a sustainable supply chain system through incorporating key topics such as environmental management, occupational health and safety, and business ethics into life-cycle management of supply chain, and work with partners of upstream and downstream industries to create a responsible industrial ecosystem. For our employees, we have established a systematic training framework, opened diversified career advancement pathways, and improved the occupational health and safety management system, enabling every employee to achieve personal growth while creating value for the Company. In terms of giving back to society, we actively participate in public welfare initiatives such as assisting agriculture through consumption and rural revitalization, conveying corporate care and warmth and demonstrating our social responsibility through concrete actions.

Looking ahead to 2026, We will focus on the three key tasks of technological leadership, cross-border growth and organizational evolution to promote the virtuous cycle of R&D and mass production of key core equipment, accelerate the implementation of industrialization in multiple fields, and improve the efficiency of full-process collaboration. We will continue to improve ESG governance by integrating environmental, social, and governance principles into every aspect of daily operations, so as to contribute sustainable intelligence and value to the global energy transition with more sound governance, greener products, and more responsible attitude.

About S.C



Introduction

Shenzhen S.C New Energy Technology Corporation is a national high-tech enterprise primarily engaged in the R&D, manufacturing, and sales of specialized equipment for solar photovoltaic cell and semiconductor.

The Company focuses on the solar photovoltaic industry and enjoys advanced capabilities in the R&D, manufacturing, and production supply of solar cell equipment through its continual innovation.

As a leading enterprise in solar cell equipment, we are committed to becoming a technology platform-based enterprise. We have established a comprehensive layout across high-efficiency and ultra-high-efficiency photovoltaic cell technology routes, including TOPCon, HJT, XBC, perovskite, and perovskite tandem technologies, providing customers with high-efficiency solar cell equipment and intelligent manufacturing system solutions. At the same time, it is extending along the product technology development path into the semiconductor equipment field to explore innovative applications in semiconductors while continuously achieving progress and breakthroughs across various photovoltaic technology routes and semiconductor equipment sectors. In addition, the Company is actively expanding into the sector of lithium new energy equipment and has achieved breakthroughs in vacuum equipment dedicated to lithium batteries.

In the future, adhering to its development strategy of "Leading Technology, Advanced Management and First-class Service" and upholding the vision of "Standing in the Top Line of Chinese Corporations, Working for World-Class Brand", the Company will continue to deepen its presence in the solar photovoltaic cell equipment field and be committed to becoming a world-class provider of advanced new energy equipment and services and the system solution integrator with upholding long-termism and expanding its distinctive lead, contributing to clean energy production and a better future for humanity.

Business Overview

The Company operates two major production bases in Shenzhen and Changzhou. Its main products include wet chemical equipment series, horizontal furnaces series, inline equipment series, smart manufacturing equipment series, PSC equipment series, as well as photovoltaic cell equipment and process solutions. It has grown into an internationally advanced service provider of specialized equipment for new energy and semiconductor and a turnkey solution integrator of new energy equipment.

Production Bases

Shenzhen Base

S.C

Changzhou Base

Changzhou S.C

Changzhou Base

Tronway

Main Production Equipment

Horizontal furnaces equipment
Inline equipment
Smart equipment
PVD
Roll-to-Roll equipment
Optical equipment



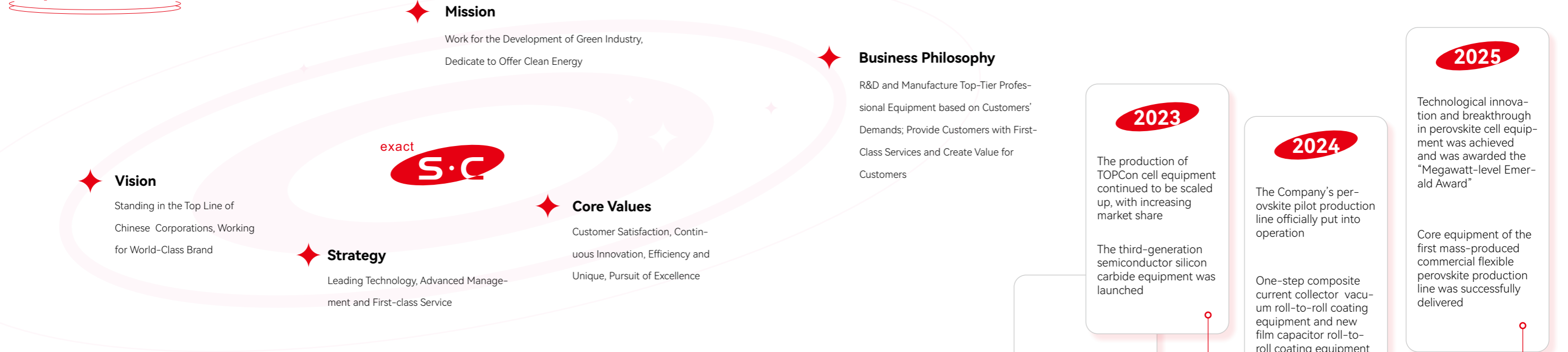
Wet chemical equipment
Inline equipment
Screen printing equipment
Laser equipment,
Electroplating equipment



Batch-type wet chemical equipment (6/8-inch, 12-inch)
Single-wafer wet process equipment (6/8-inch, 12-inch)
Localization of key parts of wet chemical equipment



Corporate Culture



2025

Technological innovation and breakthrough in perovskite cell equipment was achieved and was awarded the "Megawatt-level Emerald Award"

Core equipment of the first mass-produced commercial flexible perovskite production line was successfully delivered

2024

The Company's perovskite pilot production line officially put into operation

One-step composite current collector vacuum roll-to-roll coating equipment and new film capacitor roll-to-roll coating equipment were successfully delivered

2023

The production of TOPCon cell equipment continued to be scaled up, with increasing market share

The third-generation semiconductor silicon carbide equipment was launched

2022

PE-Poly equipment was shipped in large volumes

Equipment and processes applied in whole production line of perovskite and perovskite tandem cell were launched

2021

HJT pilot production line was completed

A turnkey solution of TOPCon cell technology solution was launched

2018

Listed on the ChiNext Market (stock abbreviation: S.C, stock code: 300724)

Products entered overseas markets such as Turkey and Egypt

2011

The Company was restructured into a joint-stock company as "Shenzhen S.C New Energy Technology Corporation"

2008

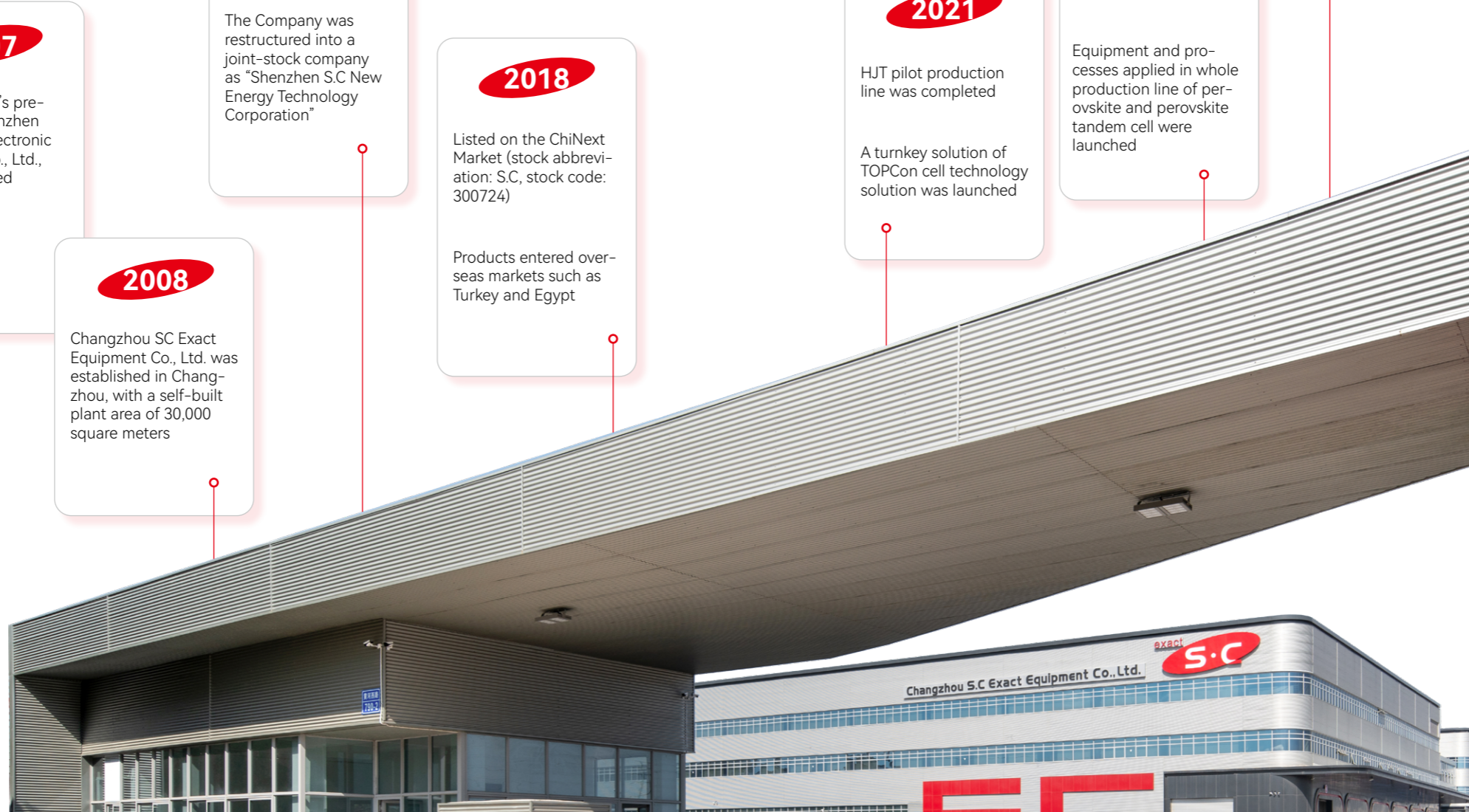
Changzhou S.C Exact Equipment Co., Ltd. was established in Changzhou, with a self-built plant area of 30,000 square meters

2007

The Company's predecessor, Shenzhen S.C Wetron Electronic Equipment Co., Ltd., was established

2003

Shenzhen S.C Exact Equipment Co., Ltd. was established



Major Honors and Qualifications



2025 Benchmark Application Enterprise Award for Perovskite Whole-Production-Line Equipment

China PV top-runner innovation forum



Ranked No. 46 among Guangdong Top 100 Private Manufacturing Enterprises

Guangdong Federation of Industry & Commerce



Ranked No. 72 among Guangdong Top 100 Private Enterprises

Guangdong Federation of Industry & Commerce



Helios Award

Organizing Committee of the China International PV and Energy Storage Industry Conference



Perovskite and Tandem Equipment Golden Wing Award for Technological Excellence

7th Perovskite & Tandem Cell Technology Forum 2025, ASIACHEM



Global Partner Excellence Enterprise Award

Organizing Committee of the China International PV and Energy Storage Industry Conference



Ranked No. 424 among China's Top 500 Private Manufacturing Enterprises

All-China Federation of Industry and Commerce



19th ChiNext Top 50 Most Valuable Listed Companies

Securities Times



TOP100 2025 Top 100 Most Popular Listed Companies

Tonghuashun



Perovskite pilot line was awarded the "Megawatt-Level Emerald Award" among SNEC Top 10 Highlights

Organizing Committee of the 18th (2025) SNEC International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC PV & ES Expo) in Shanghai



Collaboration Award

Sichuan Photovoltaic & Energy Storage Industry Supply-Demand Forum and TW Solar (5th) Global Partners Conference

序号	企业名称	行业	地区
145	欧派家居集团股份有限公司	制造业	广州
146	深圳市捷佳伟创新能源装备股份有限公司	制造业	深圳
147	广东兴发铝业股份有限公司	制造业	佛山

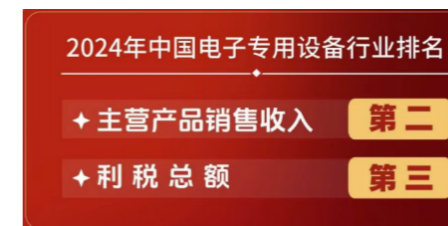
2025 Guangdong Top 500 Enterprises

Guangdong Provincial Enterprises Confederation, Guangdong Provincial Association of Entrepreneurs

排名	企业名称	2024年营收/亿元
76	中国华西企业有限公司	189.98
77	深圳市捷佳伟创新能源装备股份有限公司	188.87
78	深圳市九立供应链股份有限公司	180.10

2025 Shenzhen Top 500 Enterprises

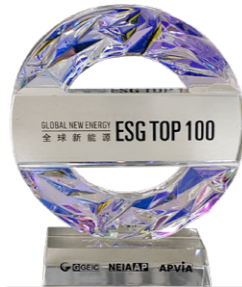
Shenzhen Enterprise Confederation, Shenzhen Entrepreneur Association



Ranked second in sales revenue of main products and third in profits and taxes in China's electronic production equipment industry in 2024

China Electronic Production Equipment Industry Association

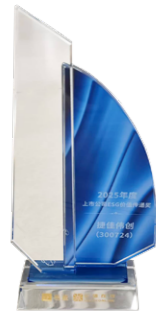
ESG Rating Awards



Global New Energy ESG Top 100
GGEIC&NEIAAP&APVIA



2024 Wind ESG Rating A
Wind



2025 Listed Company ESG Value Delivery Award
Value Online

公司名称	股票代码	公司名称	股票代码
海天味业	SH.603288	亿联网络	SZ.300628
华勤技术	SH.603296	捷佳伟创	SZ.300724
杭叉集团	SH.603298	宁德时代	SZ.300750

2025 ESG Investment Value Top 100
Stock Star

Honors Received by Chairman Zuo Guojun



2024 Golden Bull Entrepreneur Innovation Award
Honors and Awards Units
China Securities Journal, Nantong Municipal People's Government



Industrial Star Entrepreneur
Honors and Awards Units
Changzhou Municipal Party Committee and Municipal Government

Outstanding Entrepreneur

Honors and Awards Units
People's Government of Xinbei District, Changzhou



Major Events in 2025

April

- Wang Chenguang, Director of the Company's R&D Division IV, was awarded the title of "Guangdong Provincial Model Worker."

May

- The Company's PVD and RPD equipment won bids for perovskite projects of leading enterprises.

August

- The Company launched industrial-grade piezoelectric inkjet printing technology for perovskite thin films, and the first perovskite inkjet printing equipment was successfully delivered.

September

- Multiple PVD equipment units were successively delivered to perovskite enterprises.
- Subsidiary Changzhou S.C was recognized as a municipal-level industrial design center in Changzhou.
- The Company, in collaboration with Sun Yat-sen University, overcame bottlenecks in TCO thin-film technology, innovatively proposed a "critical nucleation strategy" to achieve the growth of high-mobility ultra-thin transparent conductive oxide films, and published the research results in the internationally renowned materials journal *Advanced Materials*.

November

- The Company won the bid for a PSC whole-production-line project of a state-owned enterprise, primarily for R&D and production of 300mm x 300mm size cells.

December

- Subsidiary Tronway secured an whole-production-line order of wet batch-type cassetteless cleaning equipment system for a silicon-based power device Fab.
- The Company delivered the core equipment for the first mass-produced commercial flexible perovskite production line, covering cleaning, RPD, PVD, and coating equipment.



Key Performance

Governance Performance



Operating Revenue
RMB **15,471.6689** million



Net Profit Attributable to Shareholders
of the Parent Company
RMB **2,617.0437** million



Total Assets
RMB **24,845.8181** million



Earnings per-share (EPS)
RMB **7.52** per share



Cash Dividends
RMB **416.9423** million



General Meeting of Shareholders Con-
vened
7 times



Meetings of the Board of Directors
Convened
8 times



Percentage of Independent Directors in
the Board of Directors
33.33%



Percentage of Female Directors in the
Board of Directors
22.22%

Industry Value Performance



Investment in R&D
RMB **607.4205** million



Percentage of R&D Investment in Revenue
3.93%



Total R&D Team Members
1,143 persons



Product Pass Rate
100%



Customer Satisfaction
95 points



Authorized Patent Count
1,038 items



Authorized Invention Patents
135 items

Environmental Performance



Total Investment in Environmental Protection
RMB **23.118** million



Environmental Protection Training
Sessions
2 times



Total GHG Emissions
20,762.20 tCO₂e



GHG Emission Intensity
1.34 tCO₂e per
million RMB of revenue



Total Energy Consumption
4,921.99 tce



Energy Consumption Intensity
0.32 tce / million RMB
in revenue



PV Generation
808.01 * 10⁴ kWh



Amount of GHG Emission Reduction
4,287.30 tCO₂e

Human Resources Performance



Total Number of Employees
3,877 persons



Percentage of Contract Workers
100%



Social Insurance Coverage Rate
100%



Number of Employee Training Sessions
290 sessions

01

Strengthening Foundations through Governance and Promoting Development through Standardization

Sustainable Development Governance	21
Scientific and Standardized Governance	25
Optimizing Internal Control and Compliance	27
Strengthening Investor Relations Management	30
Upholding of Business Ethics	31



Sustainable Development Governance

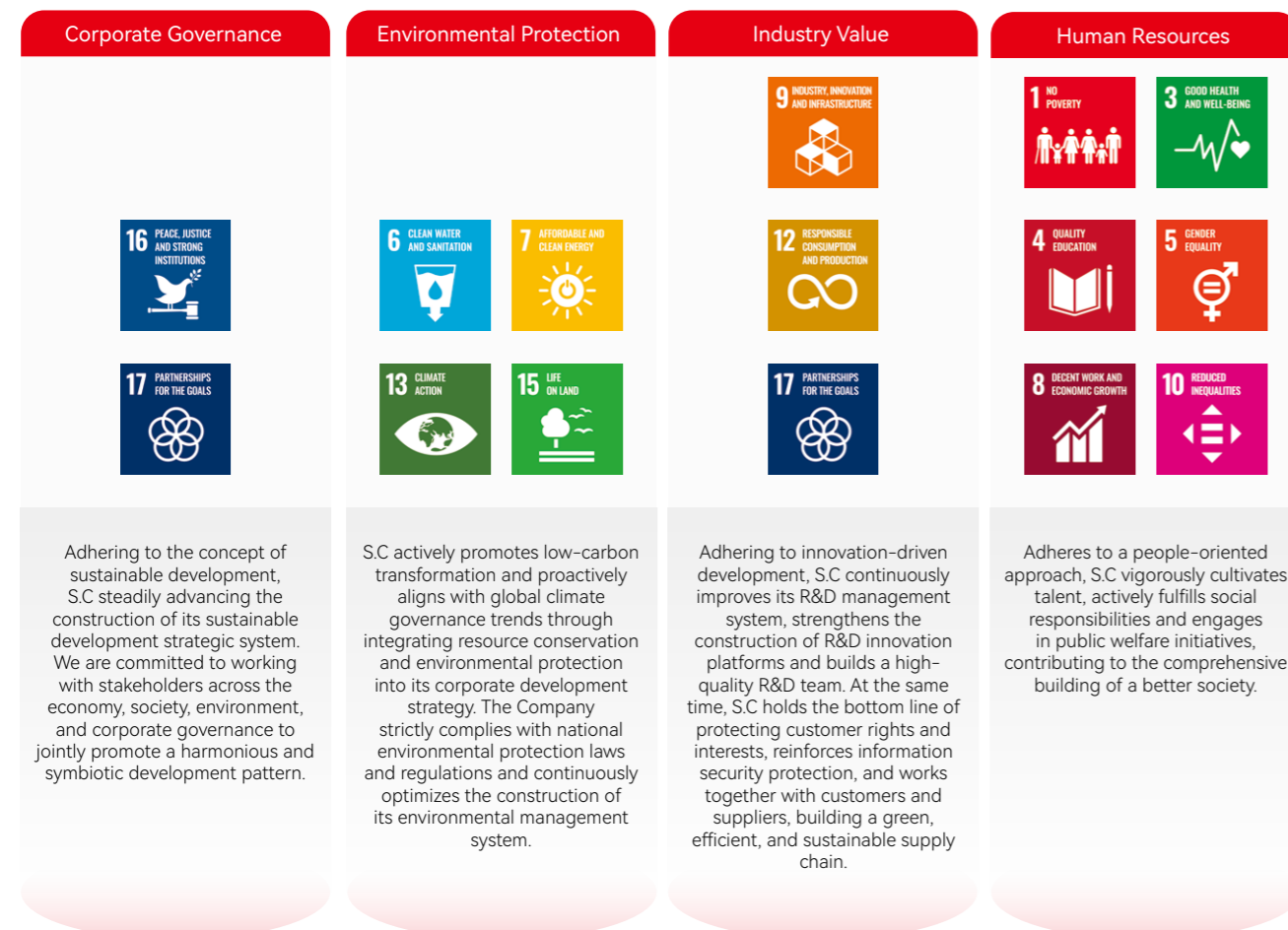
Sustainable Development Strategy

The Company incorporates sustainable development as a core objective into its decision-making and continuously explores and implements it in practice. The Company regards ESG management as a key means to achieve this objective. We implement ESG management strategies, continue to pay close attention to and participate in global sustainable development initiatives.

In addition, the Company promotes full employee participation in environmental protection efforts and integrates green concepts throughout the entire operational process. We enhance energy efficiency through technological innovation and refined management, achieving synergy between economic and environmental benefits and advance low-carbon transformation through measures such as energy-saving upgrades and green electricity applications. In addition, we deepen intelligent manufacturing and intellectual property management to safeguard operational safety and sustainable development through technological innovation.

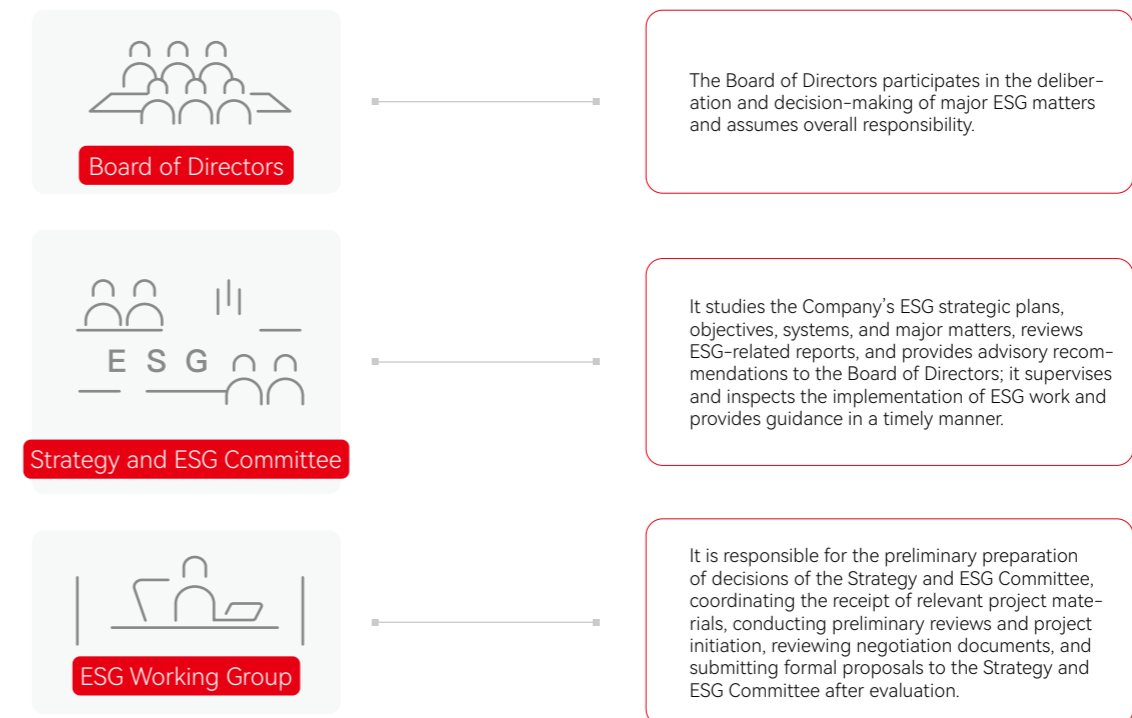
Response to the Sustainable Development Goals

Responding to the United Nations Sustainable Development Goals (SDGs), the Company conducts in-depth analysis of its responsibilities and practices related to the SDGs and gradually incorporates SDGs into the formulation of its operational strategies based on its business attributes and development plans while continuously disclosing progress in its actions.



Sustainability Governance Structure

The Company has established an ESG governance structure composed of the Board of Directors, the Strategy and ESG Committee, and the ESG Working Group, ensuring the effective top-down implementation of decision-making, supervision, and execution of ESG matters. The Company deeply integrates the concept of sustainable development into its development strategy and the entire process of business operations and management. By strengthening environmental protection, fulfilling social responsibilities, and improving corporate governance, it comprehensively enhances its overall capabilities and improves risk prevention levels, driving long-term and stable development.



Sustainable Development Practices

To enhance the Company's governance capability of sustainable development, the Company conducts ESG-specific training sessions from time to time, covering topics such as the analysis of material topics and optimization of ESG management practices, facilitating the integration of green development concepts into the entire operational process.



Sustainable Development Project Kick-off Meeting

Key Performance

During the reporting period, the Company organized **2** ESG-themed training sessions.

Communications with Stakeholders

The Company has established diversified communication channels to actively listen to and promptly respond to the concerns of stakeholders such as shareholders, employees, customers, and suppliers, promoting shared development between the Company and its stakeholders.

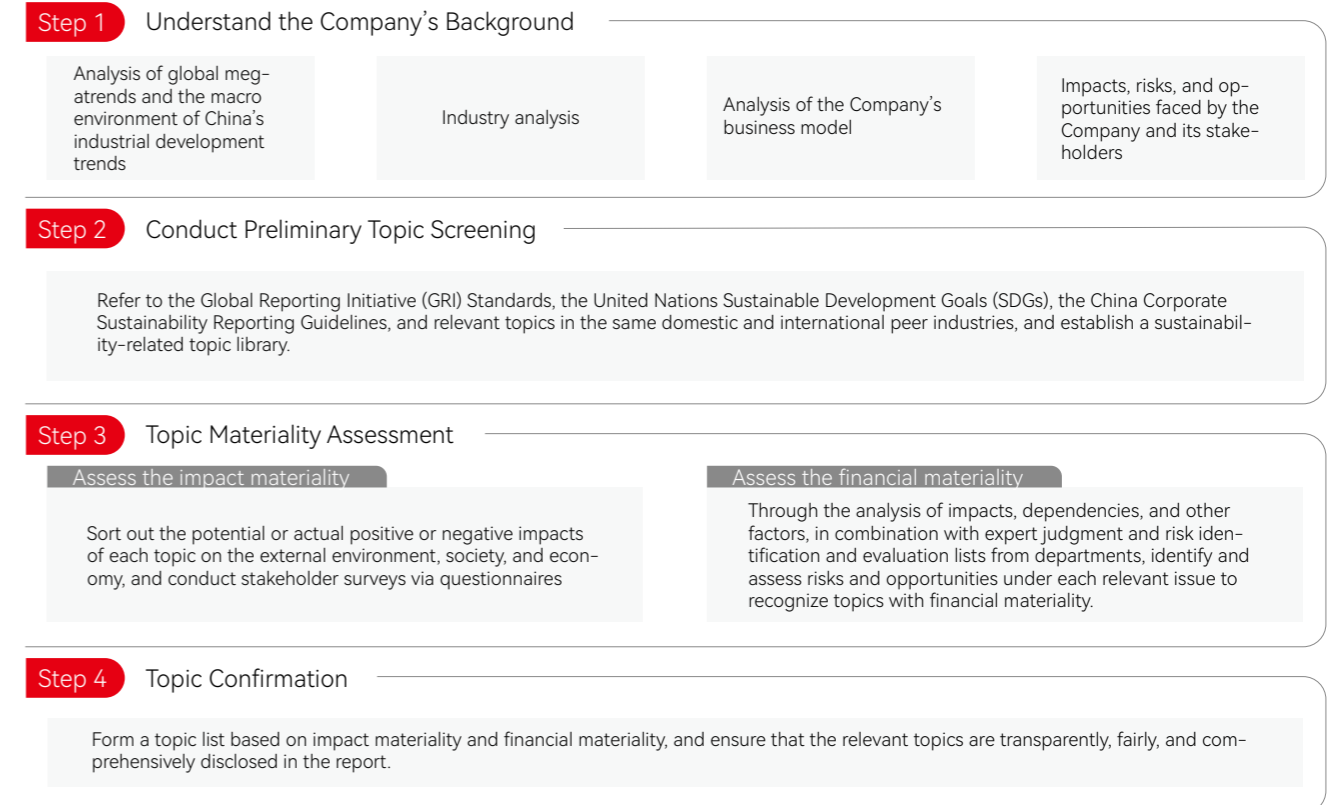
Stakeholders	Expectations and Demands	Communication and Response
Investors/Shareholders	Business Performance Information Disclosure Business Layout Development Strategy Corporate Governance Risk Control and Management Product Development	Information Disclosure Profit Distribution Performance Briefings Institutional Research Investor Hotline General Meeting of Shareholders Official Website Official Accounts irm.cninfo.com.cn
Customers	Quality Management Business Ethics Product Development Information Security Customer Service	Official Website Strengthening Product Quality Management Improving After-Sales Service Systems Customer Satisfaction Survey Bidding Meetings Industry Exhibitions Official Accounts Regular Visits Technical Exchange Meetings
Suppliers and Partners	Supply Chain Management Protection of Intellectual Property Rights Business Ethics	Improving Supplier Management Systems Technical Exchange Meetings Industry Exhibitions Supplier Audit
Employees	Employees' Rights and Interests Occupational Health and Safety Comprehensive Compensation and Benefits System Career Development and Talent Cultivation Democratic Management Cultural and Recreational Activities	The Staff and Workers' Congress Trade Union Clubs and Associations Occupational Health Checkups Thematic activities Improving the Training System Improving Career Development Pathways
Government and Regulatory Authorities	Compliant operation Protection of intellectual property rights Building Integrity Alignment with national development policies	Operation with Integrity Official Correspondence Institutional Visits Daily Interactions
Public and Community	Public Welfare Emissions and Waste Management Community Services	Community Activities Official Accounts Official Website
Media/Industry Associations	Economic Performance Compliant Operations Development Strategy	Official Website Official Accounts Press Conferences Industry Association Exchanges

Due Diligence

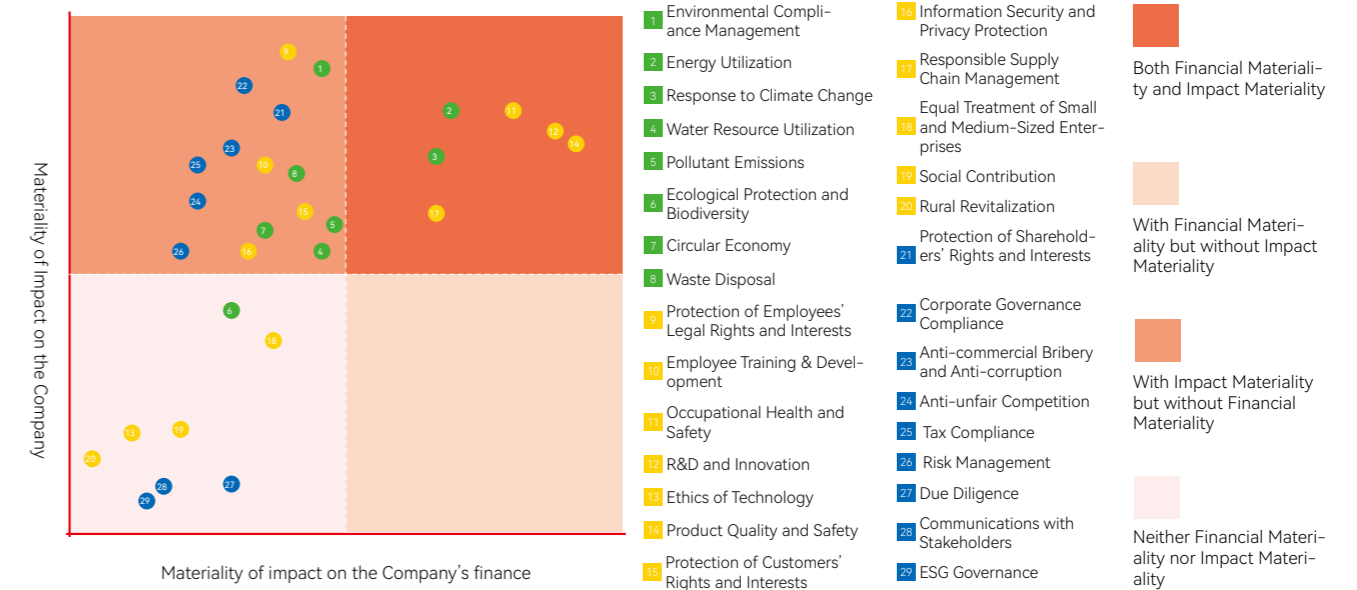
Throughout the entire business process operations, the company conducts systematic due diligence activities focusing on its own management practices, supply chain, and joint venture partners. Through qualification verification, compliance reviews, and risk assessments, it identifies and evaluates actual and potential risks in areas such as environmental protection, occupational health, and workplace safety. Corresponding preventive measures are formulated to continuously improve the risk management system.

Management of Material Topics

Based on the assessment methods stated in domestic and international disclosure standards such as the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3 - Preparation of Sustainability Reports, the Company introduces the analytical perspectives of impact materiality and financial materiality to identify and assess material topics, with the specific implementation steps as follows:



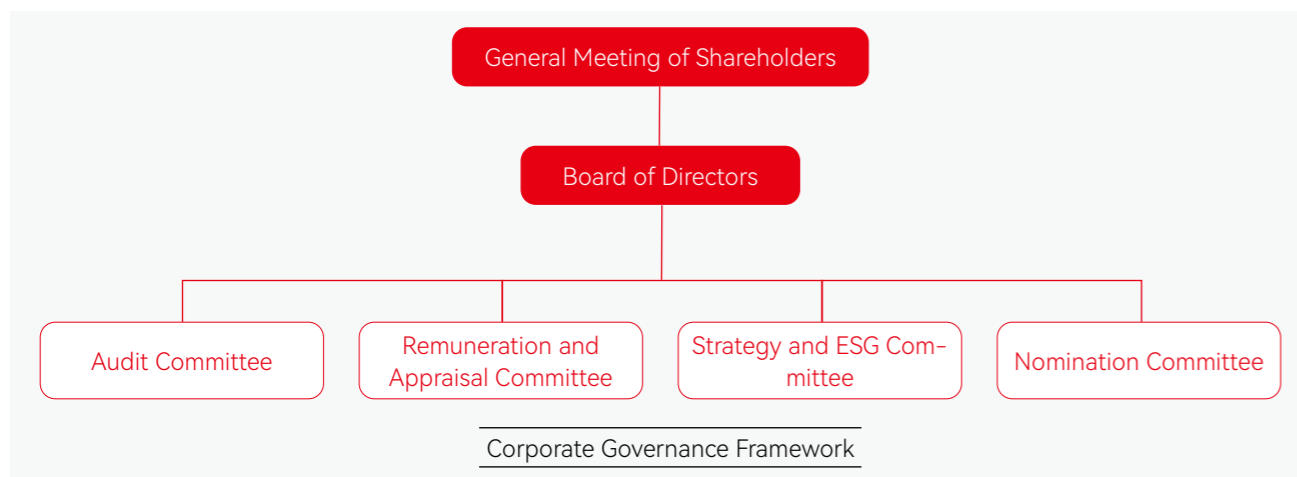
In 2025, the Company continued to follow the previous core judgement logic in terms of the identification conclusions for this year's materiality topics through conducting an internal review and assessment of the 2024 material topic list and considering the fact of no significant changes in the Company's strategy and external environment, and provided responses to all 21 issues outlined in the Guidelines. The materiality matrix for the year is shown below:



Scientific and Standardized Governance

Improvement of Governance System

Strictly complying with relevant laws, regulations, and regulatory requirements such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*, the Company has established a governance structure consisting of the General Meeting of Shareholders, the Board of Directors, and the management, forming a governance mechanism characterized by scientific decision-making, decisive execution, and effective supervision.



General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. The Company strictly standardizes the convening, holding, and voting procedures of the General Meeting of Shareholders in accordance with the *Articles of Association* and the *Rules of Procedure for the General Meeting of Shareholders*. The Company treats all shareholders equally, ensuring that all shareholders, especially minority shareholders, enjoy equal rights and can fully and effectively exercise their voting rights.

The Board of Directors convenes and organizes the General Meeting of Shareholders, adopting a combination of on-site and online voting methods to facilitate investor participation. All proposals are subject to separate vote counting for minority investors, effectively safeguarding their rights to participate and supervise.

Key Performance

During the reporting period the Company convened a total of **7** General Meetings of Shareholders, including **6** Extraordinary General Meetings of Shareholders, at which a total of **19** proposals were reviewed and approved.

Key Performance

During the reporting period, the Company held a total of **8** meetings of the Board of Directors and approved **46** proposals.

Board Diversity

The Company attaches importance to the diversity, inclusiveness, and professionalism of the Board's composition, therefore, it comprehensively considers multiple dimensions such as gender, age, educational background, professional experience, and industry expertise in the selection and appointment of directors, ensuring a reasonable and representative Board composition. As of the end of the reporting period, the Company's Board of Directors consisted of a total of 9 members, including 2 female directors, accounting for 22.22%, and 1 employee director. Members of the Board of Directors are with diverse professional backgrounds and extensive experience in fields such as law, finance, and economics, actively leveraging their expertise to support the Company's decision-making.

Board Independence

The Company has revised the *System of Work of Independent Directors*, clearly defining the qualifications, independence requirements, duties, and rights of independent directors. Independent directors are required to conduct an annual self-assessment of their independence and submit it to the Board of Directors, which evaluates their independence and issues a special opinion to safeguard the independence and effectiveness of the Board's decision-making.

The Board of Directors includes 3 independent directors, accounting for 33.33%, in compliance with relevant regulatory requirements for the proportion of independent directors in listed companies, ensuring that independent directors play an important supervisory and balancing role on the Board of Directors.

Specialized Committees

The Board of Directors has established four specialized committees: the Strategy and ESG Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. The Audit Committee is composed of directors who do not hold senior management positions in the Company, with independent directors making up the majority, and its convener shall be an independent director who is with the accounting expertise. Members of each committee perform their duties in accordance with the respective committee's rules of procedure, ensuring compliance of corporate governance and providing support for the Board's scientific decision-making.

Specialized Committees	Independent Directors	Non-Independent Directors	Whether the Independent Director Serves as the Convener
Strategy and ESG Committee	1	4	No
Nomination Committee	2	1	Yes
Audit Committee	2	1	Yes
Remuneration and Appraisal Committee	2	1	Yes

Key Performance

During the reporting period, the Company convened **2** meetings of the Strategy and ESG Committee and reviewed and approved **3** proposals; The Nominating Committee held **1** meeting and reviewed and approved **1** proposal; The Audit Committee held **3** meetings and reviewed and approved **9** proposals; The Remuneration and Appraisal Committee held **2** meetings and reviewed and approved **4** proposals.

Remuneration Management of Directors and Senior Management

The remuneration of directors is determined by the General Meeting of Shareholders, while the remuneration of senior management is determined by the Board of Directors. The determination of remuneration for directors and senior management strictly follows the Company's 2025 compensation package for directors, supervisors, and senior management. In terms of compensation structure, directors and senior management who hold specific management positions receive remuneration consisting of salary and performance-based income, determined with reference to industry compensation levels, job responsibilities, and performance. The performance-based income is linked to the Company's annual operating results and individual performance.

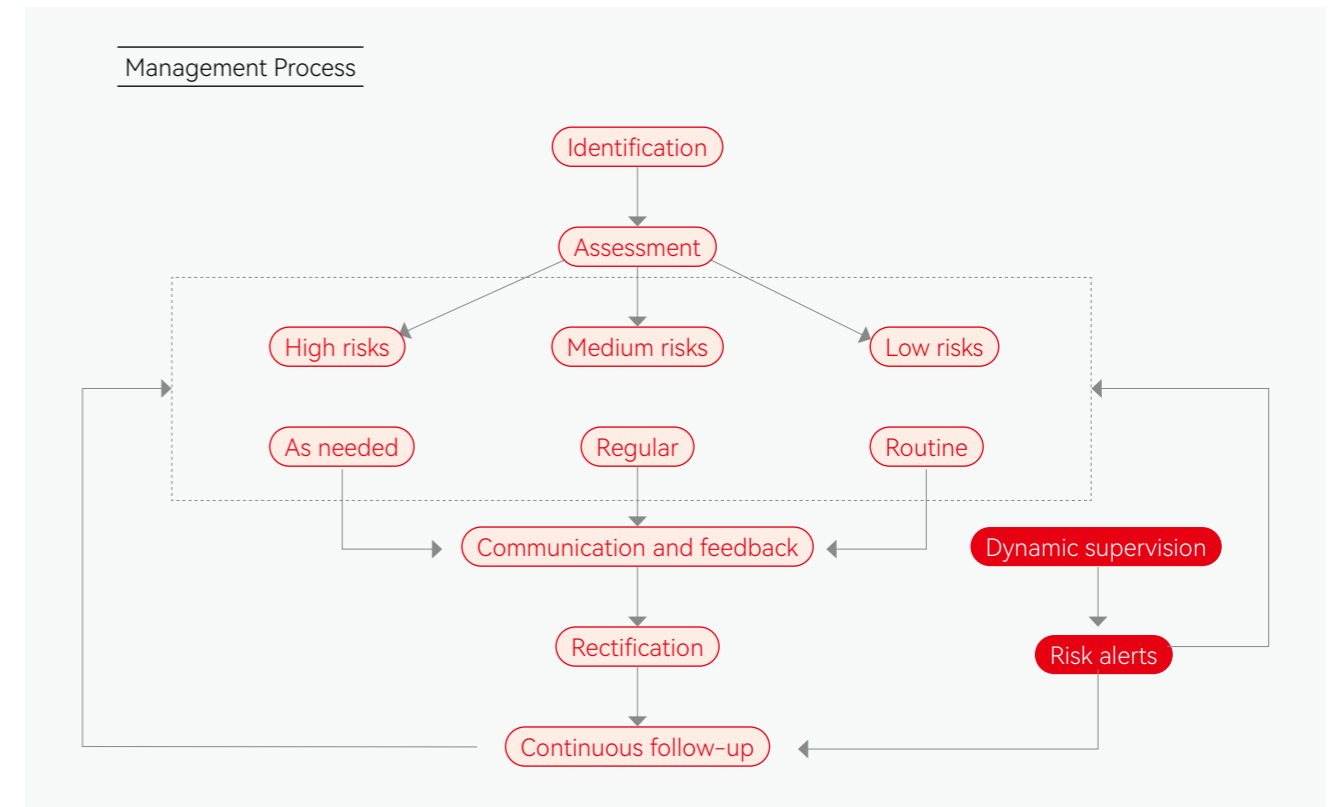
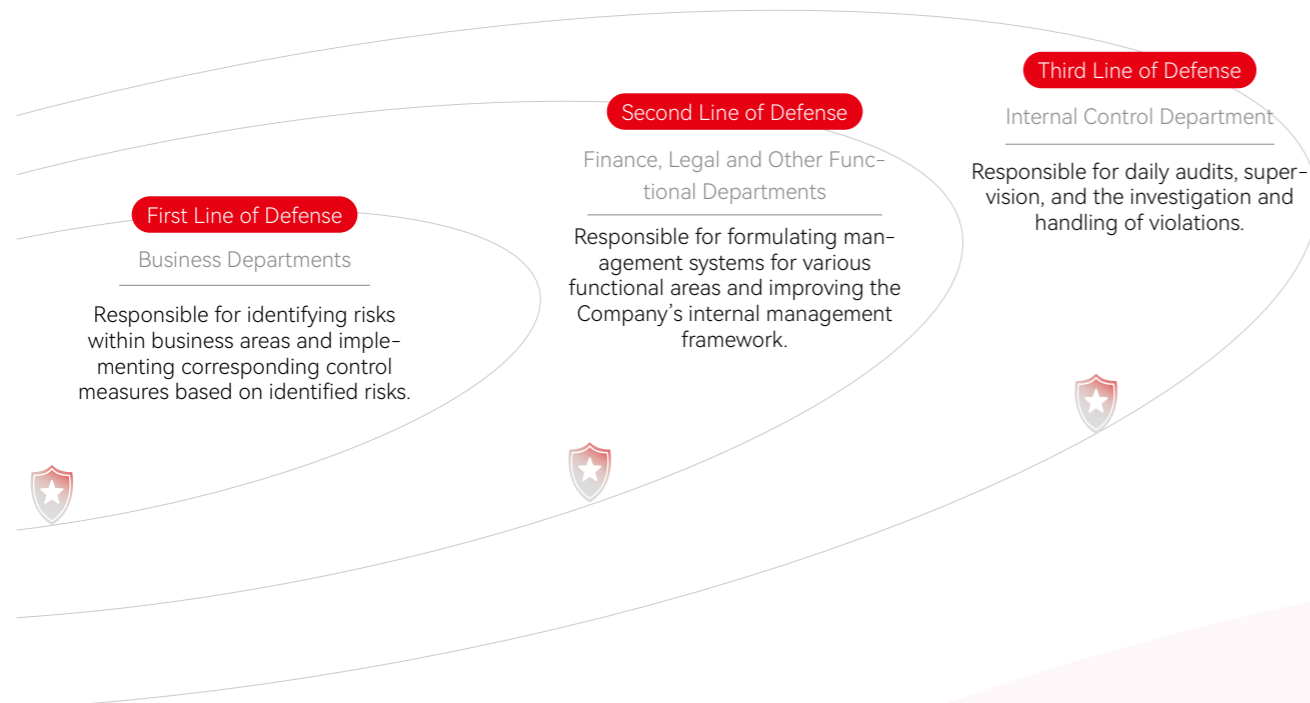
Key Performance

In 2025, the total remuneration received by directors and senior management from the Company and its subsidiaries amounted RMB **7.9459** million.

Optimizing Internal Control and Compliance

Risk Management

The Company continuously optimizes its production and operational systems and processes and strengthens the effectiveness of internal audit supervision and management. Focusing on key areas such as governance structure, money management, procurement and payment, sales and collection, subsidiary management, external guarantees, information disclosure, and the use of raised funds, the Company has established and improved risk identification and response mechanisms. Through precise identification of potential risks and timely implementation of preventive and control measures, it effectively mitigates various major risks.



Internal Control

System Construction

The Company attaches great importance to the standardization of internal control and the development of its risk management system. It has formulated and implemented the *Internal Audit System* and continuously improves internal control mechanisms aligned with its scale of operations, business scope, competitive environment, and risk level. By strengthening internal supervision and inspection, enhancing risk awareness among all employees and standardizing corporate governance and business processes, the Company lays a solid foundation for long-term and sustainable development.

During the reporting period, all internal control systems were effectively implemented, and no material or significant deficiencies were identified in internal control over financial reporting or non-financial reporting.



Capability Development

Auditors continuously keep pace with the latest changes in laws, regulations, and accounting and auditing standards. Through regular learning and specialized training, they strengthen their professional knowledge base and enhance professional sensitivity. At the same time, auditors gain an in-depth understanding of the Company's operational processes, and effectively improve practical audit capabilities and overall professional competence through integrating professional theoretical knowledge with audit project practices, continuously broadening audit perspectives, and optimizing working methods.

Key Performance

During the reporting period, the Company completed a total of **24** audit tasks and **4** follow-up audit tasks, identified **63** issues, and implemented corrective actions for **58** issues.

Note: Audit tasks covered areas such as cash and cash equivalent management, external guarantees, raised funds management, information management, and material scrapping management.

Management of Related-Party Transactions

The Company has established a systematic related-party transaction management framework and formulated relevant systems such as the *Related-Party Transaction Management System*, clearly defining the basic principles, decision-making authority, review procedures, and information disclosure requirements for related-party transactions.

In strict accordance with laws, regulations, and internal systems, the Company precisely identifies related party relationships and dynamically updates the list of related parties, ensuring that the information is true, accurate, and complete. When the Company and its controlled subsidiaries conduct transactions, the responsible personnel review the list of related parties to determine the nature of the transaction. If the transaction constitutes a related-party transaction, approval and reporting procedures are strictly performed within the prescribed authority.

In addition, the Company has added a related-party transaction identification step to the contract approval process in its OA system. Through information technology, it strengthens process control, thus effectively preventing the risk of omissions in the disclosure of related-party transactions. During the reporting period, the Company did not engage in any material non-compliant related-party transactions.

Management of Tax Risks

Strictly complies with national tax laws and regulations, the Company has established a comprehensive tax management system and actively fulfills its tax obligations, continuously enhancing tax compliance. For routine business, the Company strictly handles tax matters in accordance with relevant tax policies. For occasional non-routine business, it proactively communicates with the competent local tax authorities to ensure the accuracy and timeliness of tax filings. In addition, the Company continuously strengthens its tax risk prevention and control capabilities through occasional tax risk assessments, specialized training, and internal communication.

Key Performance

During the reporting period, the Company and its major subsidiaries were not subject to any penalties from tax authorities.

Strengthening Investor Relations Management

Compliance Information Disclosure

The Company continues to standardize its information disclosure processes and strictly implements the *Information Disclosure Management System* and the *Internal Reporting System for Material Information*. It is committed to improving the quality of information disclosure and ensuring that disclosed information is true, accurate, complete, and timely, so as to effectively safeguard investors' right to know.

The Company places great importance on the confidentiality of undisclosed information. Through enhanced awareness campaigns and standardized daily controls, it comprehensively improves employees' compliance awareness, effectively reduces information disclosure risks, and strictly prevents insider trading.

As evaluated by the Shenzhen Stock Exchange, the Company was rated A in the 2024-2025 annual information disclosure assessment for ChiNext Market-listed companies, achieving an outstanding record of six consecutive years of A ratings in information disclosure evaluation.

Key Performance

During the reporting period, the Company disclosed a total of **154** announcements, including **4** periodic reports and **150** ad-hoc announcements, and it was not penalized for any violations related to information disclosure.

Investor Relations Management

The Company attaches importance to investor relations management. It effectively safeguards investors' rights such as the right to know and the right to vote, and steadily maintains a sound and trusting relationship between the Company and its investors through maintaining active communication with investors through diversified channels and responding promptly to their concerns. The Company places particular emphasis on communication with minority shareholders, actively listening to their opinions and demands and providing timely feedback.



Key Metrics

Number of Interactions with Investors at irm.cninfo.com.cn **200+** Times

Number of Investor Calls Received **1,000+** Times

Returns to Shareholders

The Company values shareholder returns. It strictly implements the profit distribution policy stipulated in the *Articles of Association* and has formulated the *Shareholder Return Plan for the Next Three Years (2023-2025)*. From the Company's listing through 2024, the Company has implemented cash dividends every year, with cumulative cash dividends totaling RMB 1143.3809 million and a cumulative payout ratio of 15.51%.

For the 2025 profit distribution, the Company plans to distribute a cash dividend of RMB 12 per 10 shares (tax inclusive), with total cash dividends expected to reach RMB 416.9423 million.

Key Performance	Unit	2023	2024	2025
Cash dividend per 10 shares (tax inclusive)	RMB	12	12	12(plan)
Total Cash Dividend (Including Tax)	RMB (10k)	41,680.20	41,624.82	41,694.23(plan)
Proportion to Net Profit Attributable to Shareholders of the Listed Company in Consolidated Financial Statements	%	25.51	15.06	15.93

Note: The 2025 dividend distribution is subject to approval by the General Meeting of Shareholders.

Upholding of Business Ethics

Anti-Commercial Bribery and Anti-Corruption

To improve the corporate governance system, strengthen internal controls, and regulate employee professional conduct, the Company has formulated the *Anti-Fraud and Reporting System* in accordance with relevant laws, regulations, and operational needs. It has also established the Operations Compliance Department as the central coordination and management body for anti-fraud efforts which is responsible for formulating and revising anti-fraud policies, managing reporting channels, organizing anti-fraud investigations, and tracking and handling identified fraud-related issues. Through systematic preventive measures and timely detection and handling of fraudulent activities, the Company reduces operational risks, safeguards its legitimate rights and interests, ensuring sustainable and healthy development while guiding employees to uphold integrity and professionalism and preventing actions that harm the Company's interests at the same time.

During the reporting period, the Company did not engage in any major compliance violations.

Reporting and Complaint Channels

The Company has established smooth reporting channels and encourages employees and external stakeholders to report fraudulent activities. Reporters may report directly to the Company's Operations Compliance Department via email, online platforms, telephone, or written correspondence.

Reporting Channels

Reporting email: tousu@chinasc.com.cn

Protection of Reporters

The Company strictly protects the privacy of reporters. It prohibits any form of illegal discrimination or retaliation, and forbids any hostile actions against employees participating in investigations or reporting. Personnel who disclose reporters' information or engage in retaliation will be subject to disciplinary actions such as dismissal or termination of employment contracts depending on the severity of the case. Those suspected of illegal or criminal conduct will be transferred to judicial authorities for legal accountability.

Integrity Awareness Building

The Company strengthens its integrity framework through multi-dimensional measures. Employees in key positions such as procurement and sales are required to sign the *Integrity Commitment for Professional Conduct* which clearly defines integrity responsibilities and boundaries, reinforcing integrity risk prevention and enhancing the awareness of ethical conduct across all employees.

At the same time, the Company actively leverages internal platforms such as DingTalk and OA systems to promote integrity principles, fostering a cultural that values integrity and integrating clean governance into daily operations.

Key Performance

During the reporting period, the Company organized a total of **406** *Integrity Commitments for Professional Conduct* to be signed by employees in key positions.

Anti-Unfair Competition

The Company strictly complies with laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and has formulated the *Anti-Unfair Competition Compliance System*. Adhering to the fundamental principles of "legality and compliance, honesty and good faith, and fair competition," the Company comprehensively standardizes its internal management and external business conduct, effectively maintaining a fair and orderly market competition environment.

The Company has established an anti-unfair competition supervision group composed of heads of legal, audit, and other core business departments. Through a cross-departmental collaboration mechanism, the group systematically identifies and prevents potential unfair competition risks faced by the Company from multiple dimensions, including legal compliance, financial auditing, and business operations. The supervision group regularly conducts comprehensive inspections and evaluations of the Company's business activities, so as to promptly identify and correct non-compliant issues, and continuously enhance the Company's overall risk prevention and control capabilities.

02

Advancing Green Manufacturing and Building a Low-Carbon Ecosystem Together

Response to Climate Change	35
Environmental Compliance Management	38
Scientific Control of Pollution Emission	39
Efficient Resource Utilization	41
Biodiversity and Ecosystem Protection	42



Response to Climate Change

Governance

To implement the national “carbon peaking and carbon neutrality” goals, the Company reduces production energy consumption through process optimization and equipment upgrades. It also focuses on the R&D and promotion of high-efficiency, low-consumption photovoltaic production equipment to develop green products, reduce its own operational carbon emissions, and support the green upgrading of the industrial chain.

The Company organizes special training sessions on greenhouse gas emission reduction from time to time to strengthen the foundation of emission reduction efforts, build consensus among all employees, and clarify implementation pathways.

Exploring a Green Path Towards “Low Carbon”

To systematically enhance employees’ awareness and practical capabilities in carbon reduction, the Company has organized special training on “Enhancing Emission Reduction Awareness and Capability.” This training systematically explains the strategic urgency of reducing greenhouse gases and various pollutants, covering key emission reduction pathways such as energy efficiency improvement, application of clean technologies, and carbon asset management, effectively promoting deeper understanding and proactive adoption of green production practices among employees.



A New Low-Carbon and Green Future



To systematically improve the Company’s professional capabilities and standards in carbon management, the Company has conducted specialized training covering core topics such as greenhouse gas accounting, carbon footprint analysis, formulation of emission reduction strategies, setting carbon neutrality targets, carbon trading and response to carbon taxation, etc. This enables the Company to comprehensively understand the carbon emissions, accurately identify climate-related risks and opportunities, and effectively meet regulatory requirements and customer demand for low-carbon solutions.

Strategy

To systematically identify and analyze climate-related risks and opportunities, S.C tracks policy, market, and industry developments with considering its business realities and conducts specialized assessments with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The assessment results are incorporated into strategic planning to optimize business strategies and resource allocation and enhance resilience to climate risks. The specific assessment and response to climate-related risks and opportunities are as follows:

Risk/Opportunity	Description of Risk/Opportunity	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Extreme weather conditions	Extreme weather events such as typhoons and floods may damage the Company’s production infrastructure, affect supply chain stability and logistics efficiency, generating negative impact on the normal production and operations.	Cost increase Revenue decline	Medium	Large	Mid-term	Operations Downstream
	Measures 1. Strengthen monitoring and early warning systems for extreme weather, develop emergency response plans, and regularly conduct emergency drills and training; 2. Strengthen the building of protective infrastructure and carry out regular maintenance.					
Policy Risks	More strict carbon-related policies including carbon tariffs, higher environmental and energy consumption standards, and adjustment of policies including trade barriers—all of these may increase compliance costs and market entry challenges.	Cost increase	High	Medium	Medium and long-term	Operations
	Measures Closely track dynamic changes in policies and regulations related to the “carbon peaking and carbon neutrality” goals, promptly formulate targeted response measures, and proactively meet relevant requirements.					
Market opportunities	As countries advance toward carbon neutrality, continued policy support for the renewable energy sector is driving steady growth in photovoltaic installation demand. At the same time, the continuous expansion of photovoltaic application scenarios will bring market opportunities for the Company’s related businesses.	Increase in orders Increase in revenue	High	Large	Long-term	Operations
	Measures Rely on the R&D innovation center to strengthen research on high-efficiency photovoltaic cell technologies, promoting green product innovation and industrialization, and adapting to the needs of low-carbon markets and emerging application fields.					

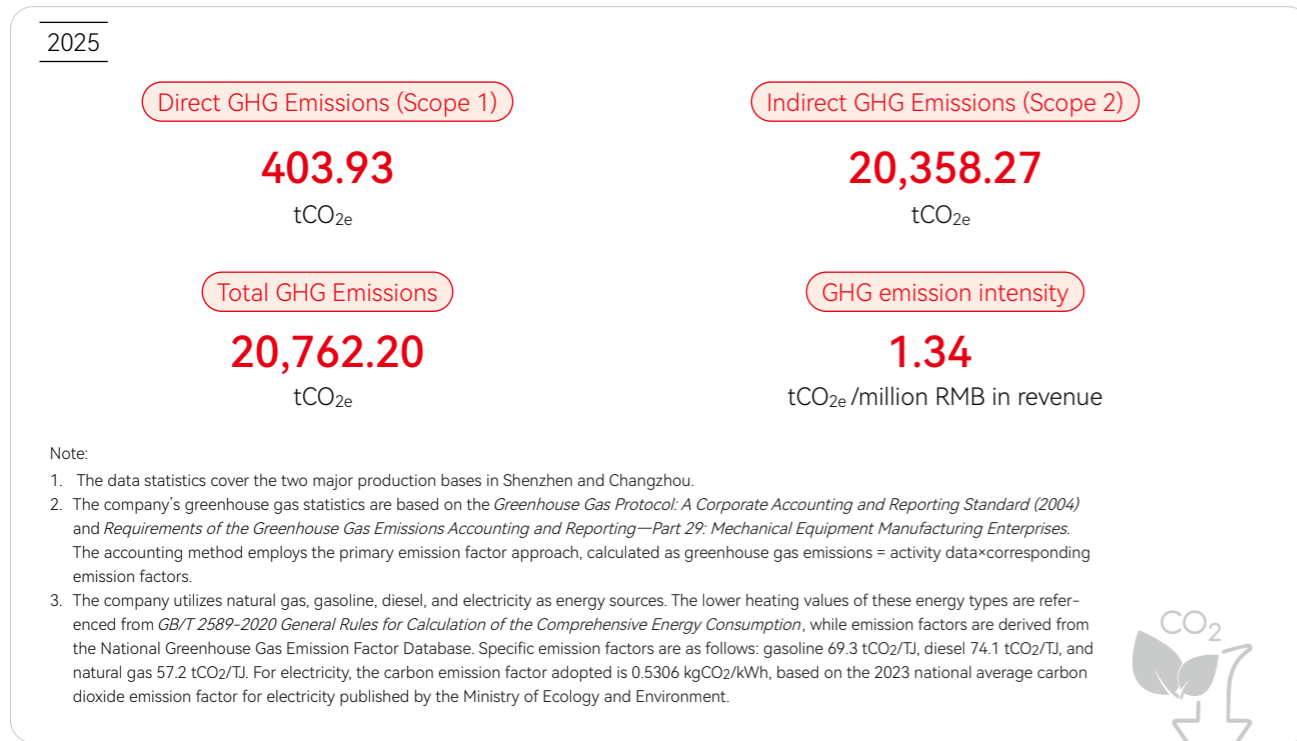
Impact, Risk, and Opportunity Management

To address the risks and opportunities brought by climate change, the Company uphold its strategy of Leading Technology, Advanced Management and First-class Service and integrate it throughout business operations and the value chain. In addition, the Company also utilize routine risk management and dynamic assessment, to support long-term, sustainable, and low-carbon development.



Metrics and Targets

The Company actively responds to the national goals of “carbon peaking and carbon neutrality” through continuously developing and manufacturing green low-carbon products, optimizing its energy structure and increasing the proportion of green electricity usage. The Company also strives to reduce greenhouse gas emissions at the operational level. The Company’s greenhouse gas emissions data are as follows:



Greenhouse Gas Emission Reduction Measures

To reduce greenhouse gas emissions caused by traditional energy consumption, the Company has deployed distributed power stations on factory rooftops and covered parking. It optimizes its energy structure through increasing the proportion of clean energy use. The electricity generated by these power stations can be directly integrated into the Company’s internal power system, reducing reliance on external conventional electricity sources, thereby effectively lowering carbon emission intensity in the production process and supporting the achievement of the Company’s low-carbon development goals.

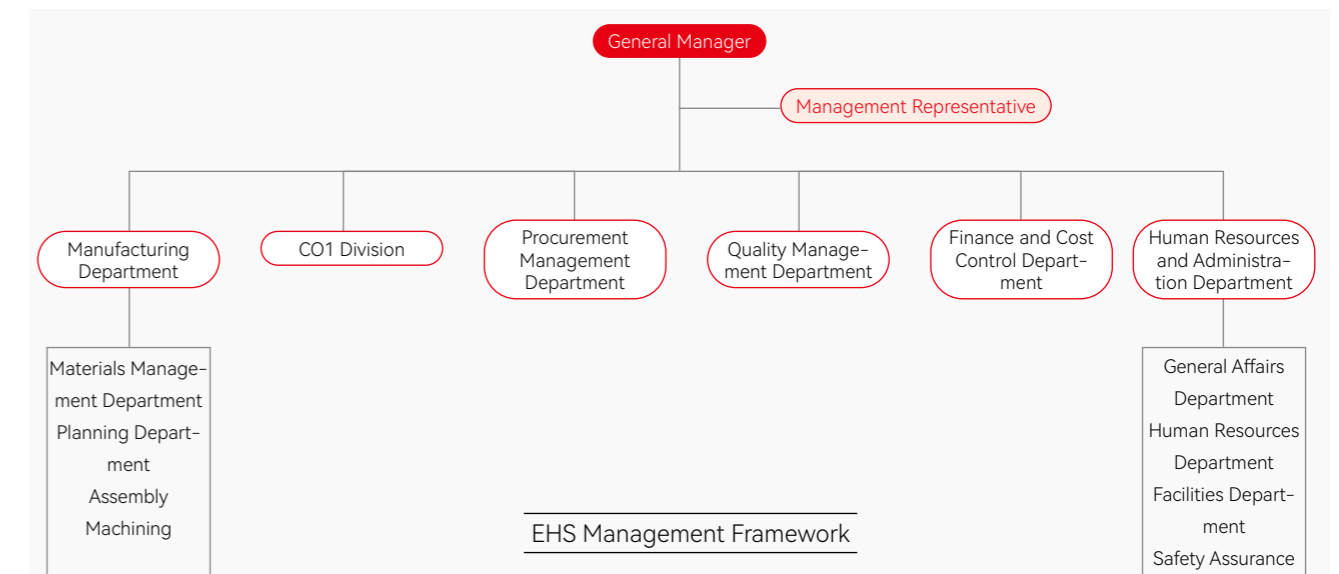


Distributed Power Stations

Environmental Compliance Management

Environmental Management System

The Company adheres to the management principles of “comprehensive governance, environmental protection throughout the entire process; safety first, prevention as the priority; people-oriented management, safeguarding health; compliance with regulations, sustainable development.” It has established systems such as the *Environmental, Occupational Health and Safety Management Manual*, and built a management structure led by the General Manager, coordinated by the Quality Management Department, and supported by other departments. Responsibilities at all levels and across departments are clearly defined, systematically promoting the implementation of the environmental management system and ensuring standardized and effective operation.



Key Performance

During the reporting period, the Company constructed its own distributed power stations, generating **8.0801** million kWh of electricity in 2025, reducing carbon dioxide emissions by approximately **4,287.30** tCO_{2e}, with total investment in the newly built distributed power generation station was RMB **23.1180** million.

Key Performance

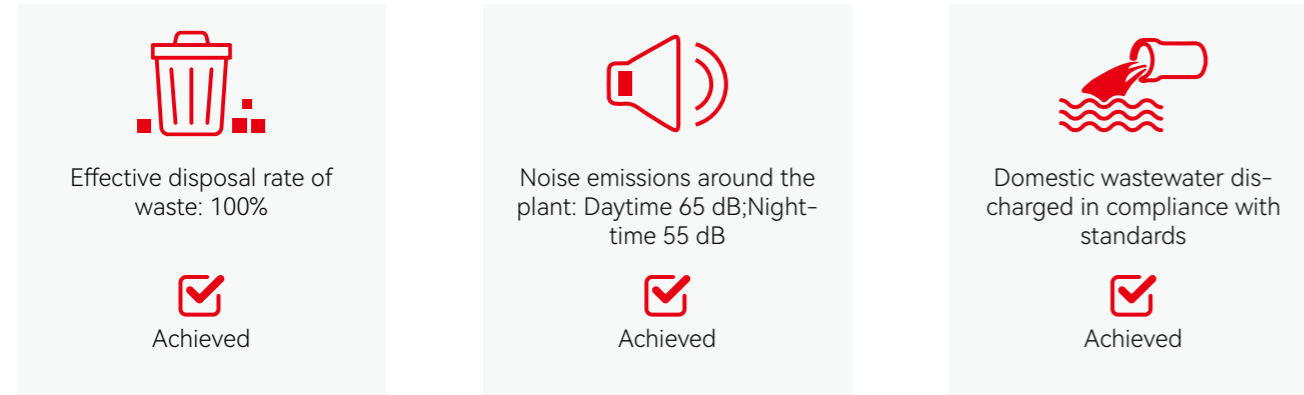
During the reporting period, the Company passed the annual review of the ISO 14001 Environmental Management System certification, and its subsidiary Changzhou S.C also obtained ISO 14001 certification.

Environmental Management System Certification



Environmental Management Objectives

To ensure the effective operation of the environmental management system, the Company has established and continuously improved its environmental indicator system, effectively promoting ongoing improvements in environmental performance.



Environmental Emergency Management

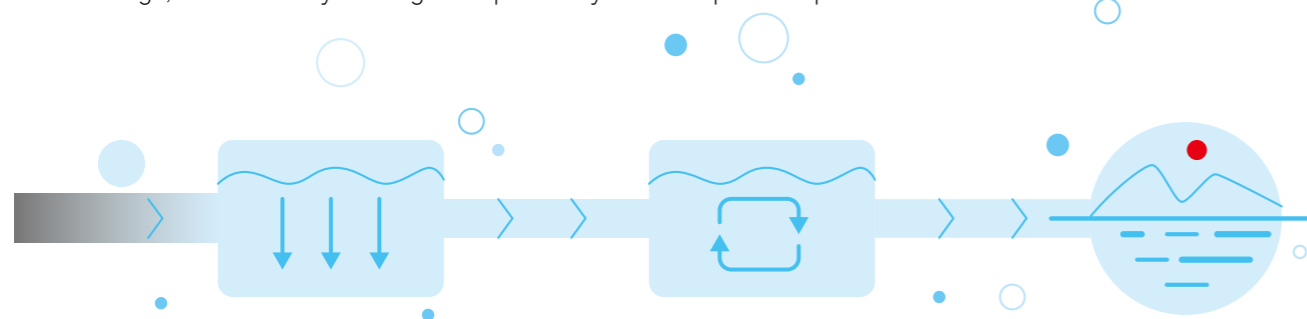
The Company has established a specialized emergency response system and through formulating policies such as the *Emergency Response Plan Management System* and the *Fire Safety Management System*. These systems clearly define response procedures and responsibilities for key areas, including protection of precision equipment in production workshops, emergency transfer of hazardous chemicals, and emergency safeguards for wastewater treatment systems. Through regular emergency drills, the Company enhances its rapid response capabilities in emergencies, ensuring safe production operations and environmental protection.

Scientific Control of Pollution Emission

The Company places great importance on pollution emission control, thus continuously improving its full-process environmental management system. It implements scientific control measures for key pollution aspects such as wastewater, exhaust gas, solid waste, and noise, continuously enhancing environmental compliance.

Wastewater Management

The Company has established a routine wastewater monitoring mechanism to test indicators of production wastewater treatment and discharge indicators. Based on routine monitoring results, after treatment, all relevant pollutant indicators of production wastewater generally met the required discharge standards, achieving standardized collection, treatment, and discharge, and effectively fulfilling its responsibility for water pollution prevention and control.



Waste Gas Management

The Company implements classified control strategies for both stack and fugitive emissions generated during production and operations, ensuring that all emission indicators consistently meet national and industry standards. The exhaust gas generated during the Company's production and operations mainly arises from R&D projects at the Changzhou production base. After treatment by exhaust gas treatment facilities, the emission concentrations of all pollutants met the required standards.

Management of Solid Wastes

The Company strictly complies with environmental protection requirements and has formulated documents such as the *Waste Management Procedures* and the *Scrap Disposal System*, establishing a full-process management system featuring classified collection, centralized storage, and unified disposal. All departments classify and collect waste in accordance with regulations, store it centrally in designated areas, and then arrange for unified disposal, ensuring that waste management is compliant, standardized, and traceable throughout the process.



Noise Management

To reduce noise pollution, the Company adopts low-noise equipment, optimizes layout, increases greenery, and applies vibration reduction, noise reduction, and sound insulation measures for high-noise equipment. It also regularly inspects and maintains noise-generating facilities. In addition, professional testing agencies are engaged to conduct regular noise monitoring to ensure compliance with relevant standards.

Efficient Resource Utilization

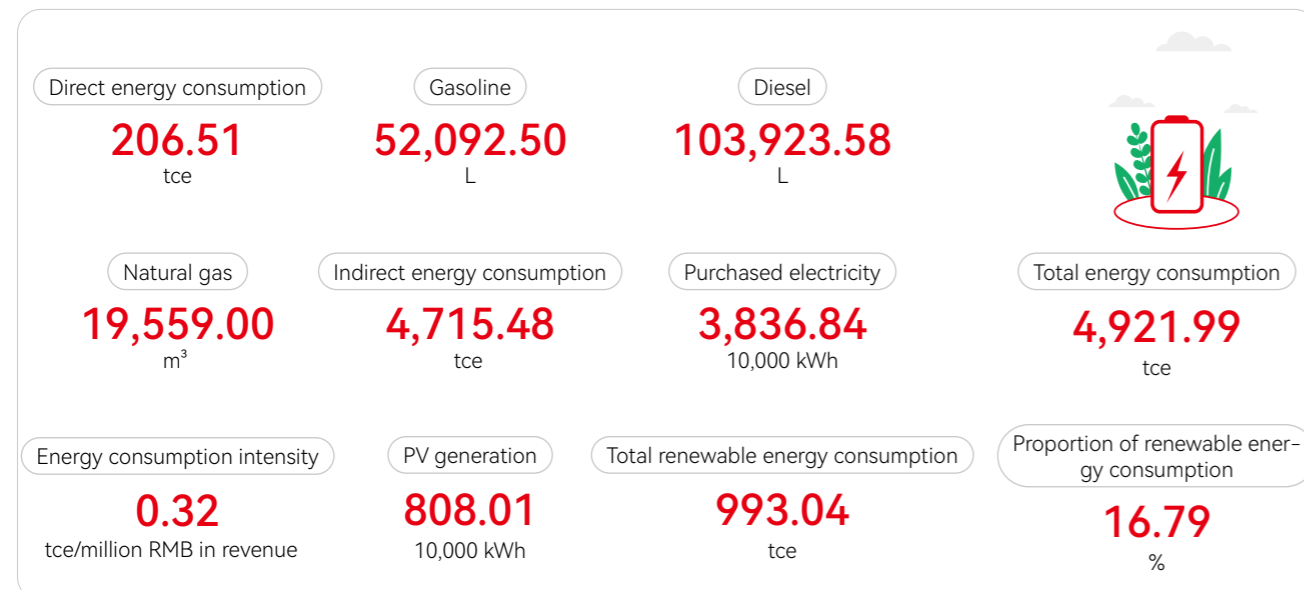
Energy Management

Energy governance system

To improve energy efficiency and strengthen energy management, the Company has formulated the *Energy Management Procedures*. At the same time, the Company actively promotes the substitution of renewable energy by establishing photovoltaic systems and optimizes its energy structure through reducing reliance on traditional energy sources, supporting low-carbon development.

Energy Metrics and Targets

The Company's energy consumption consists primarily of electricity. By strengthening daily energy management and optimizing production scheduling, the Company continuously reduces energy consumption per unit of product and improves energy efficiency.



Note: The calculation of energy consumption for various energy sources and resources shall refer to GB/T 2589-2020 *General Rules for Calculation Comprehensive Energy Consumption*.

Water Resource Management

The Company has formulated procedural documents such as the *Water and Electricity Usage Management Regulations* to standardize water resource management. The Administration Department, as the primary responsible department for water resource management, coordinates the development of water usage plans, supervision of water usage, and data statistics. All departments collaborate to implement water resource management requirements, standardize internal water use behavior, and promote the implementation of various water-saving measures, aiming to reduce water waste.

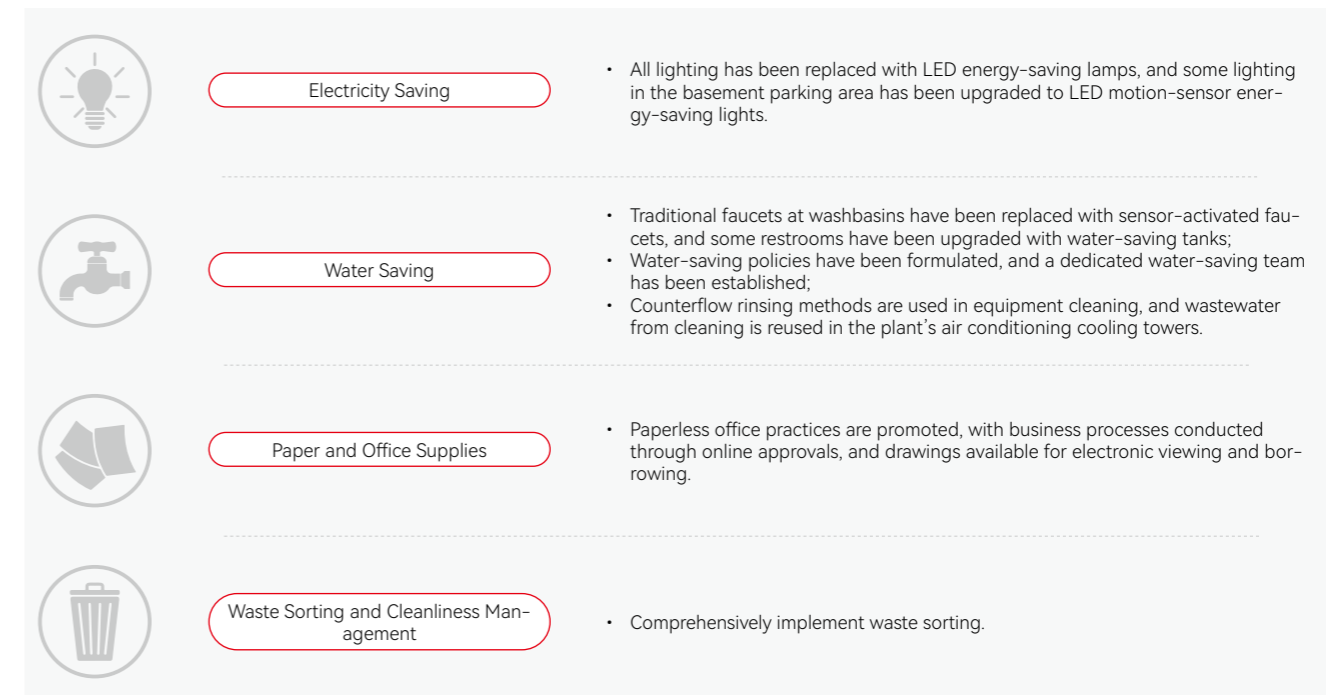


Note: As recycled water cannot currently be accurately measured, the water consumption statistics in the Report only include freshwater usage.

Green Operations

Green Office

The Company integrates the concept of green office into the entire operational management process and takes green office as an important operational principle. To fully implements low-carbon development requirements, the Company continuously promotes resource conservation and efficient utilization through multi-dimensional measures such as water saving, electricity saving, recycling of office supplies, and waste sorting, enabling us to effectively fulfill environmental responsibilities and gradually building a green, sustainable and modern office environment.



Green Travel

The Company actively promotes the concept of green travel and advances the low-carbon transformation of transportation through a combination of institutional guidance and supporting facilities. Specific measures include: Formulating expense standards related to green travel to guide employees toward low-carbon travel methods; constructing 37 charging stations for new energy vehicles within the park to support employees' low-carbon commuting; and gradually promoting the transition to green business vehicles by continuously replacing conventional vehicles with new energy vehicles for business travel. As of now, the Company has equipped 11 new energy commercial vehicles

Biodiversity and Ecosystem Protection

Adhering to the principles of respecting, adapting to, and protecting nature, the Company integrates biodiversity and ecosystem protection into its operational management. During project planning and construction, the Company strictly complies with relevant laws and regulations, assesses potential ecological impacts, and avoids ecologically sensitive areas to minimize the disturbance of operational activities on the surrounding ecological environment. At the same time, through measures such as strengthening environmental protection education for employees and standardizing waste disposal, the Company continuously enhances ecological protection awareness among all employees and contributes to the maintenance of regional ecological balance and biodiversity.

Advancing Technology Synergy and Shaping the Industry's Future

Empowering with Technological Innovation	45
Deepening Responsible Procurement	54
Delivering Excellent Products and Services	58
Enhancing Customer Experience	62
Properly Protecting Information Security	63



Empowering with Technological Innovation

Governance

To implement the development strategy of "Leading Technology, Advanced Management and First-class Service," S.C continuously improves its R&D management system and has formulated management systems such as the *Detailed Rules for R&D Project Management* and the *R&D Project Review Committee System* to standardize R&D project management and ensure effective project execution.

The Company has established an R&D center to coordinate R&D activities, under which there are four R&D departments as well as an Intellectual Property and R&D Project Department. It also operates a heterojunction (HJT) pilot line and a perovskite pilot line, systematically advancing the management of technological innovation. R&D projects cover six categories: pre-research projects, vertical R&D, horizontal R&D, process R&D, maintenance projects, and experimental projects. Through the implementation of institutional safeguards, the Company achieves coordinated management of multiple project types and ensures orderly execution of R&D activities.

In addition, the Company has established a three-tier R&D project review committee to conduct systematic analysis and feasibility assessments of projects, mitigating risks, and improving the effectiveness of technology and product development.

Key Performance

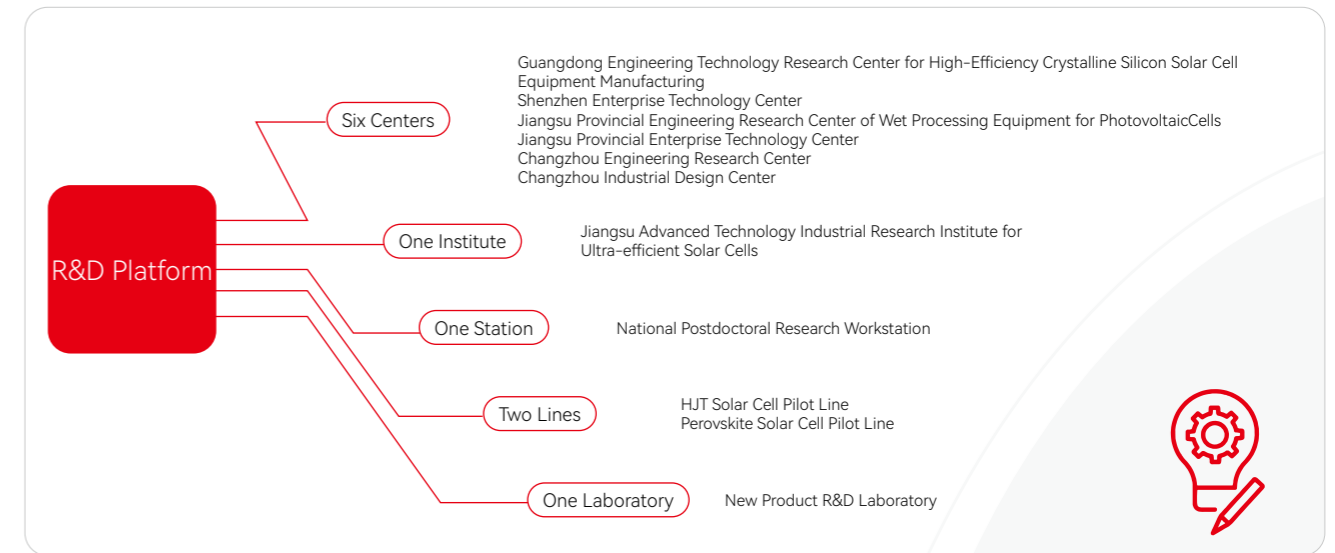
During the reporting period, the Company's total R&D investment amounted to RMB **607.4205** million, accounting for **3.93%** of operating revenue.

Innovation Incentives

R&D innovation is the core driving force for the Company's sustainable development. To fully stimulate the enthusiasm and creativity of R&D personnel, the Company has formulated the *Performance Management Rules for the R&D Center* which clearly stipulates that teams or individuals who deliver innovative outcomes with effectiveness, practicality, and economic value will receive corresponding spiritual and material incentives, including special innovation bonuses, priority in awards, promotions, and salary adjustments, thereby systematically promoting technological innovation and value transformation.

R&D and Innovation Platforms

To comprehensively enhance independent innovation and R&D capabilities, the Company actively promotes the construction of scientific research platforms. It has established six major research centers, including the Guangdong Engineering Technology Research Center for High-Efficiency Crystalline Silicon Solar Cell Equipment Manufacturing, the Shenzhen Enterprise Technology Center and so on, as well as platforms such as a postdoctoral workstation. It continues to introduce outstanding technical teams from both domestic and international sources, laying a solid foundation for scientific and technological advancement.



High-Tech Enterprise (Shenzhen S.C)



High-Tech Enterprise (Changzhou S.C)



High-Tech Enterprise (S.C Smart)



High-Tech Enterprise (Tronway)



High-Tech Enterprise (Jiejia Xinchuang)



Jiangsu Provincial Enterprise Technology Center



Research Center



Postdoctoral Research Workstation

Key Performance

As of the end of the reporting period, the Company had a total of **5** high-tech enterprises, **1** Jiangsu-recognized Enterprise Technology Center, and **1** National Postdoctoral Research Workstation.



Single Champion Manufacturing Enterprise in Guangdong Province



National Manufacturing Single Champion Enterprise

Innovation Validation Platforms

The Company has established two major innovation validation platforms: the HJT Solar Cell Pilot Line and the Perovskite Solar Cell Pilot Line. These platforms conduct end-to-end collaborative research on high-efficiency technology routes, promoting comprehensive upgrades from process equipment and key components to cell technology and whole production lines.

Perovskite Solar Cell Pilot Line

The perovskite pilot line serves as an innovation validation platform for the production equipment of perovskite solar cells and tandem cells. All equipment of it is independently designed and manufactured by the Company, covering all process steps for perovskite single-junction and tandem cell production, with full proprietary intellectual property rights. The platform is also equipped with a professional R&D team, which continuously conducts independent research and optimization of precursor materials, key consumables, and thin-film preparation processes, closely aligned with perovskite cell mass production requirements.



Heterojunction Solar Cell Pilot Line

At the Changzhou base, the Company has built a heterojunction solar cell pilot line covering approximately 5,000 square meters, serving as a core platform for validation of cell production equipment and process innovation. Personnel allocation and operational management of this pilot line strictly adhere to mass production standards. Furthermore, it integrates equipment manufactured by the company's various business divisions to carry out systematic validation.



The platform houses professional laboratories and is staffed with R&D and process technology teams. It rapidly advances independent design and development of heterojunction cell equipment, verification of key components, cell technology upgrades, and whole-production-line performance improvements through continuously optimizing processes and iterating equipment, providing sustained support for the Company's technological leadership and industrialization progress.

Strategy


In today's highly competitive business environment, an R&D innovation strategy and management have become the core of long-term competitive advantage. Continuous innovation is fundamental for maintaining competitiveness and achieving sustainable development, as market demand grows, technology iterations accelerate, and new application fields continue to appear. Closely monitoring the risks and opportunities brought by technological frontiers, industry trends, policy guidance, and market environment, the Company combined with its R&D capabilities and business layout, deciding to continuously strengthen its high-level talent pool and optimize the R&D management system and processes, injecting robust innovation momentum into long-term development.

Risk Type	Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Technology risk	<p>1. The photovoltaic industry is witnessing the rapid iteration of technologies, with high uncertainty in technology routes. Mainstream technology of TOPCon currently faces competition and substitution risks from emerging technologies such as HJT, XBC, perovskite, and tandem technologies. If the Company's R&D fails to keep pace with major shifts in industry technology routes, product competitiveness and market position will be directly affected.</p> <p>2. During R&D, there may be leak risks of technical data or information, causing losses and increasing costs.</p>	Decrease in income Cost increase	Medium	Large	Long-term	Downstream
	<p>Measures</p> <p>1. Increase R&D investment and pursue multiple emerging technology routes to ensure alignment with technological development directions; 2. Leverage research centers and the innovation validation platforms of HJT solar cell pilot line and perovskite solar cell pilot line to continuously optimize emerging technologies and promote industrialization; 3. Strengthen internal confidentiality management of technical data and sign confidentiality agreements with R&D personnel; 4. Improve R&D incentive mechanisms, increase talent investment, and build a high-quality innovation team; 5. Establish and implement a comprehensive patent management system, carry out patent applications efficiently, and use legal measures for patent protection.</p>					

Opportunity Type	Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Market opportunities	<p>Sustained growth in the photovoltaic industry provides a favorable market environment for the solar cell equipment market. The Company continuously develops new products and technological innovations, increasing market share and thereby increasing revenue.</p> <p>Measures</p> <p>Enhance continuous innovation capabilities and accelerate the launch of new products to improve product competitiveness.</p>	Increase in Revenue Increase in Market Share	High	Large	Long-term	Downstream
Opportunities Brought by Patent Barrier	<p>Technological patents become the core of differentiated competition, and innovation R&D builds technical barrier advantages.</p> <p>Measures</p> <p>Through innovative design and technology application, as well as measures such as university-enterprise cooperative R&D, the Company establishes technical barriers.</p>	Increase in Market Share Increase in Revenue	High	Large	Long-term	Downstream


Impact, Risk, and Opportunity Management

To reduce R&D innovation risks, the Company has established risk assessment and control mechanisms to analyze and evaluate potential risks and opportunities. It implements full-process management through the *R&D Project Control Checklist* to mitigate risks and ensure the achievement of technological innovation and results transformation goals.




Risk Identification

- Adopt questionnaires, group discussions, expert consultations, scenario analysis, policy analysis, industry benchmarking, interviews, and other methods to identify technical risks that may hinder the achievement of the Company's strategic objectives.




Risk Analysis

- For the identified risk list, internal and external risk discussions are held according to the project risk level to confirm each risk content, thus assigning personnel, scheduling follow-ups to resolve or mitigate risks in a timely manner.



Risk Monitoring

- During the project development process, the R&D team leader regularly reviews the risk log, follows up promptly on the risk handling of each risk owner, monitors the progress of risk resolution, and, if necessary, assists project personnel in addressing risks.

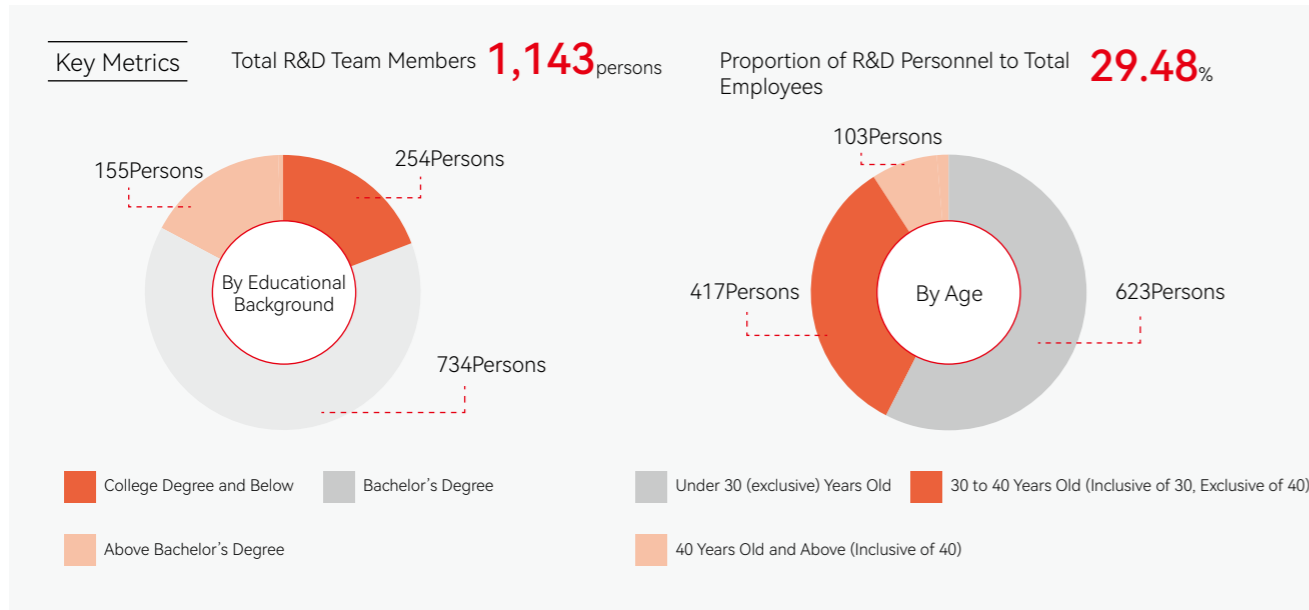


Risk Management

- Each project team, based on the development strategy, market conditions, and current technology, prepares a research project proposal. Only after project review and approval can the project be formally initiated.
- R&D projects are approved in accordance with prescribed authority and procedures. During the approval process, particular attention is given to the necessity of the project for promoting company development, the advancement of the technology, and the feasibility of outcome commercialization.

Metrics and Targets

The Company continuously improves its R&D innovation system, increases R&D investment and advances the construction of innovation platforms. It also actively cultivates R&D talent teams to effectively promote technological breakthroughs and the application of research outcomes, thereby enhancing the Company's R&D innovation capability.



Highlight Measures

R&D Results

The Company continues to focus on technological and product innovation and actively promotes iterative upgrades of advanced solar cell process technologies, injecting momentum into industry development.

Industrial-Grade Piezoelectric Inkjet Printing Perovskite Film Technology

S.C deeply integrates industrial-grade piezoelectric inkjet printing technology for perovskite thin films with nanoscale control systems of droplets to achieve precise and controllable deposition positions for perovskite inks.

Core Advantage 1

Through high-precision inkjet control, the deposition position of perovskite ink is precisely controlled, avoiding material waste and performance loss, and significantly increasing the effective power-generating area of the cell.

Core Advantage 2

Achieve "on-demand allocation" of raw materials to reduce excessive coating and cleaning losses. This will promote the reduction of perovskite cell manufacturing costs and increase overall material utilization to exceed 95%.

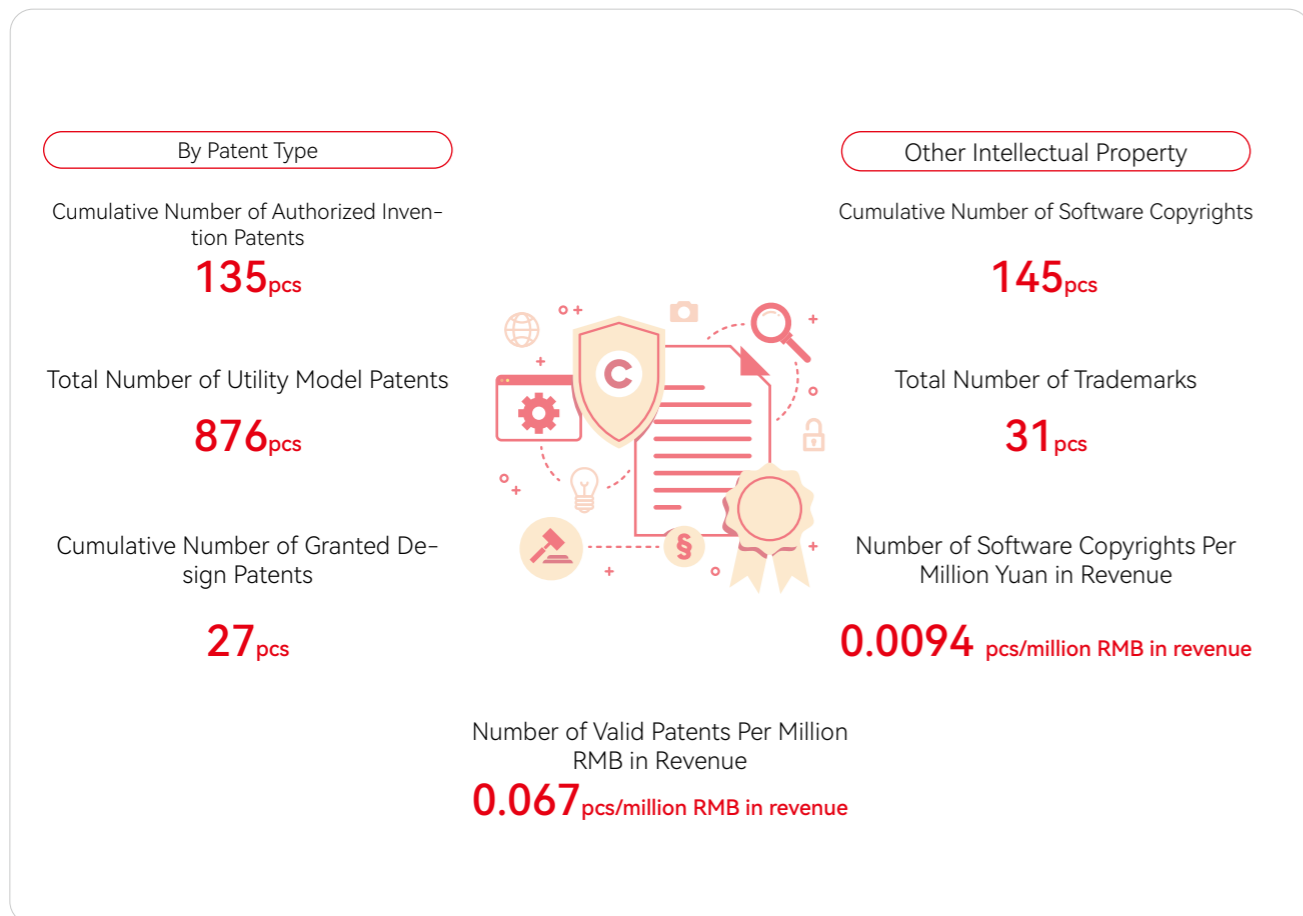
Core Advantage 3

The technology supports multiple substrates, including crystalline silicon, glass, and flexible polymer films of various sizes. It can also be applied to curved building surfaces and complex structures, providing efficient and low-cost perovskite module solutions for building-integrated photovoltaics (BIPV).

The Company's self-built perovskite solar cell pilot line won the Mega-watt-Level Emerald Award at the 18th SNEC PV & ES Expo.



Honorary Awards



University-Enterprise Cooperation

S.C is committed to establishing a high-level integrated "industry-university-research" innovation system. Currently, the Company has jointly established the "Joint Research Center for New Photovoltaic Materials and Equipment Engineering" with Peking University, and has set up joint laboratories with Beihang University, Nanjing University, Northwestern Polytechnical University, and Sun Yat-sen University, among others.

The Company engages in multiple technological collaborations with universities, covering areas such as indium-free transparent conductive oxide films, vacuum deposition process simulation, AGV map management and scheduling systems, key technologies of heterojunction solar cell, boron nitride technologies, and low-reflectivity texturing processes and equipment to lower reflectivity for crystalline silicon PV cells. Through collaborative technological research, S.C achieves rapid industrialization of R&D results, providing the core driving force for enterprise technological innovation and product iteration.



Academic Achievements

In collaboration with the School of Materials at Sun Yat-sen University, the Company successfully overcame the technical bottleneck of transparent conductive oxide (TCO) films, innovatively proposing the "critical nucleation strategy," and successfully fabricated cerium-doped indium oxide (ICO) films with high electron mobility. The research results were published in the top international materials journal *Advanced Materials*. The study indicates that this technology could replace traditional thick films with high-performance ultra-thin films to reduce the consumption of rare metal elements by 90%, opening a new cost-reduction and efficiency-improvement pathway for the optoelectronics industry and driving a green transformation of the sector.



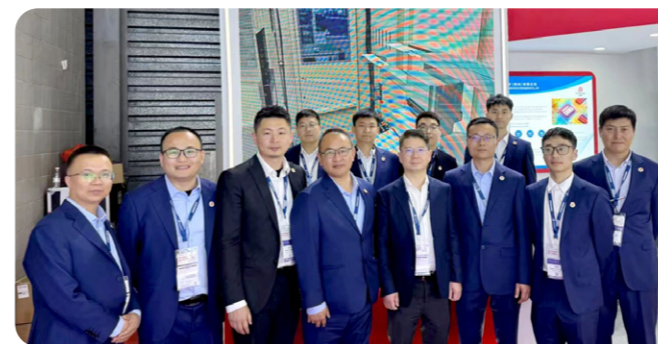
Industry Collaboration

To continuously enhance technological competitiveness and drive industry progress, the Company actively participates in collaborative R&D and high-level academic exchanges. The Company collaborates with leading enterprises and universities to overcome technical bottlenecks, through participation in key industry-wide projects such as "Key Preparation Technologies and Core Equipment Development for High-Efficiency Fully Passivated Contact Crystalline Silicon Solar Cells and Modules," "Key Technology R&D for New Indium-Free Silicon Heterojunction Solar Cells," "Atomic-Level Defect Passivation Technology of Perovskite Films for High-Stability Solar Cells," "Mechanism and Key Technologies of New Crystalline Silicon Solar Cells Based on Dopant-Free Passivated Contacts," "Complete Technology and Key Equipment R&D for High-Efficiency Thin Crystalline Silicon Cells and Modules with Full Passivation," and "High-Efficiency N-Type TOPCon Solar Cell Project."

At the same time, the Company actively participates in domestic high-level technical conferences, exchanging and discusses with industry experts and scholars, injecting vitality into the continuous innovative development of the industry.

Industry Forum Visits and Exchange Activities

On August 28, 2025, the Company participated in the "9th Perovskite and Tandem Solar Cells (Yangtze River Delta) Industrialization Forum," guided by the Perovskite Industry Branch of the China International Association for Promotion of Science and Technology and organized by the China PV top-runner innovation forum, and hosted a special on-site enterprise visit during the conference. Led by the Company's Technical Director, more than 180 industry experts, scholars, and corporate representatives from across the country visited the Company's advanced perovskite solar cell pilot line and heterojunction solar cell pilot line in depth. After the on-site visit, the Company held a discussion session with the visiting guests to exchange views on industry technology trends, cost-reduction pathways, and other topics, promoting joint technological progress in the industry.

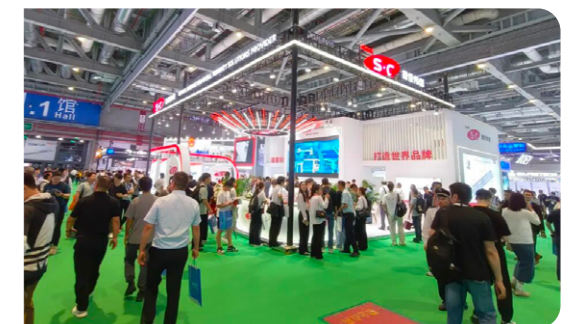


SEMICON China 2025

On March 26, 2025, the global top-tier semiconductor event SEMICON China 2025 grandly opened at the Shanghai New International Expo Center. The Company's subsidiary, Tronway, showcased its full range of innovative products, marking the first public exhibition of the Company's 12-inch wet chemical equipment.

SNEC 2025

From June 11 to 13, 2025, the 18th SNEC PV & ES Expo was grandly held, with over 3,600 exhibitors from 95 countries and more than 500,000 professional visitors attending. The Company presented a turnkey solution for all technology routes and a matrix of core process equipment.



Protection of Intellectual Property Rights

Management System

S.C complies with the *Patent Law of the People's Republic of China* and other relevant laws and regulations. The Company has formulated the *Intellectual Property Management System* and established an Intellectual Property Department fully responsible for intellectual property management, protecting company IP and standardizing IP management processes. At the same time, the Company has established operational procedures for internal patent applications and competitor monitoring. Employees who obtain authorized patents are awarded patent prizes to encourage innovation, providing solid support for continuous innovation.

Intellectual Property Training

The Company irregularly organizes intellectual property and patent trainings and discussions to enhance employees' awareness and capability in IP protection.

Intellectual Property Week | Craftsmanship
Forges Tools, IP Rights Build Shields

From April 25 to 29, 2025, S.C held a five-day intellectual property publicity week under the theme "Craftsmanship Forges Tools, IP Rights Build Shields" simultaneously in Shenzhen and Changzhou. The event employed multiple forms such as knowledge sharing, specialized training, and interactive Q&A to create a strong atmosphere across the Company for learning about intellectual property and practicing innovation protection. The Company will take this event as an opportunity to continuously improve the patent application incentive mechanism and optimize internal training systems, rooting the cultural concept of "respect knowledge, value innovation" into every position.



Ethics of science and technology

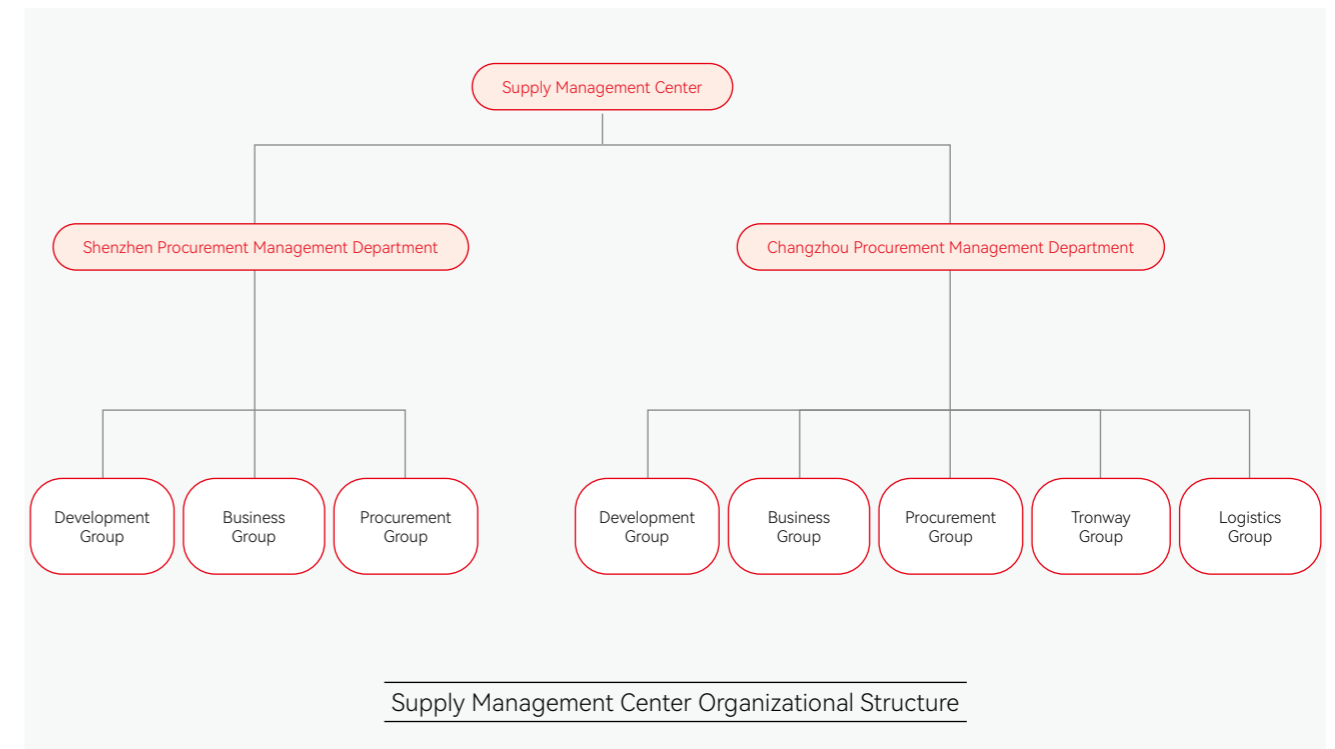
The Company adheres to the ethical principles of responsible innovation and standardizes project initiation review and project acceptance. Currently, the Company's business and innovation activities do not involve ethics-sensitive areas of science and technology such as life sciences or artificial intelligence. During the reporting period, no violations of the ethics of science and technology occurred in the Company.



Deepening Responsible Procurement

Governance

To standardize supplier management, the Company has formulated a series of regulations, including the *Supplier Management Procedure*, *New Supplier Development and Management Guidelines*, and *Procurement Department Management System*, clarifying the the supplier onboarding and evaluation process. The Company has established the Business Development Department responsible for evaluating and optimizing the supply chain from the perspectives of security, cost, and other dimensions; developing, managing, and assessing new suppliers; and collaborating with production, legal affairs, and other departments to advance supply chain management.



S.C actively conducts supplier training. Through regular training and communication, the Company jointly explores innovative cooperation models with suppliers, working hand in hand to create a sustainable future.



Key Performance

During the reporting period, the Company conducted **12** supplier training sessions, with a total of **20** suppliers participating.

Strategy


The Company actively builds a supplier risk management system, incorporating environmental compliance, health, and safety indicators into supplier audit standards. At the same time, it deeply analyzes potential risks and development opportunities of the business across all links of the supply chain. By upgrading and optimizing the full process from procurement and production to warehouse management, the Company systematically identifies and manages supply chain risks, striving to build a responsible supply chain ecosystem.

Risk Type	Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Supply Chain Stability Risk	Suppliers may fail to deliver raw materials on time or in the required quantity due to their own production plans, logistics delays, quality issues, or other factors, which may affect the Company's production schedule, increase operating costs, and potentially impact the Company's ability to deliver customer orders on time and its reputation.	Cost Increase and Reputation Damage	Medium	Large	Mid-term	Upstream Downstream
	Measures <ol style="list-style-type: none"> 1. Establish a diversified supplier network to avoid reliance on a single supplier, and formulate contingency plans and alternative solutions; 2. Timely update and optimize the "Qualified Supplier List," and improve supplier rating and classification management processes; 3. Continuously improve logistics exception handling standards, develop improvement plans, and ensure rapid and accurate resolution of logistics incidents; 4. Based on the Company's future material demand, maintain continuous communication with suppliers, jointly analyze trends in future supply and demand, open resource-sharing channels, and prepare inventory as needed. Organize material categories, establish a supplier resource pool, ensure the stability of the core business supply chain, and maintain continuity of delivery. Develop high-quality small and medium-sized suppliers, with regular inspections and follow-ups. 					
Procurement Compliance Risk	Improper relationships or commercial bribery between procurement personnel and suppliers may lead to risks such as substandard goods or high-price procurement, increasing procurement costs and harming the Company's interests.	Increased costs and reduced profits	Medium	Large	Long-term	Upstream Operations
	Measures <ol style="list-style-type: none"> 1. Establish and improve procurement management systems and processes, and implement a complete penalty mechanism; 2. Sign the <i>Integrity Agreement</i> and establish an integrity mechanism to constrain commercial behavior of both parties; 3. Conduct integrity training to enhance the integrity awareness of procurement personnel and supplier. 					

Opportunity Type	Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Digital Transformation of the Supply Chain	The Company leverages digital and intelligent technologies to achieve full-process tracking from raw material procurement and manufacturing to logistics delivery, optimizing inventory and reducing production costs, thereby increasing market competitiveness.	Cost reduction	High	Medium	Long-term	Upstream
	Measures <ol style="list-style-type: none"> 1. Build a digital bidding and procurement platform to achieve real-time information transmission and transparent display; 2. Deploy intelligent warehousing, smart logistics, and data centers to improve warehouse operation efficiency. 					


Impact, Risk, and Opportunity Management

To effectively reduce potential supply chain risks, the Company comprehensively identifies and analyzes internal and external influencing factors, scientifically evaluates risk levels, and formulates targeted response strategies to ensure stable supply chain operations.




Risk Identification

- The Company clearly defines risks encountered in the procurement process, including quality risks, delivery risk, price risks, and supplier risks for various procurement objects such as raw materials and finished products, production equipment, administrative fixed assets, other low-value consumables, and intangible assets.




Risk Analysis

- Using qualitative and quantitative methods, the identified risks are analyzed and ranked based on the likelihood of occurrence and impact on supply chain security, determining key focus areas and priority risks to control.



Risk Monitoring

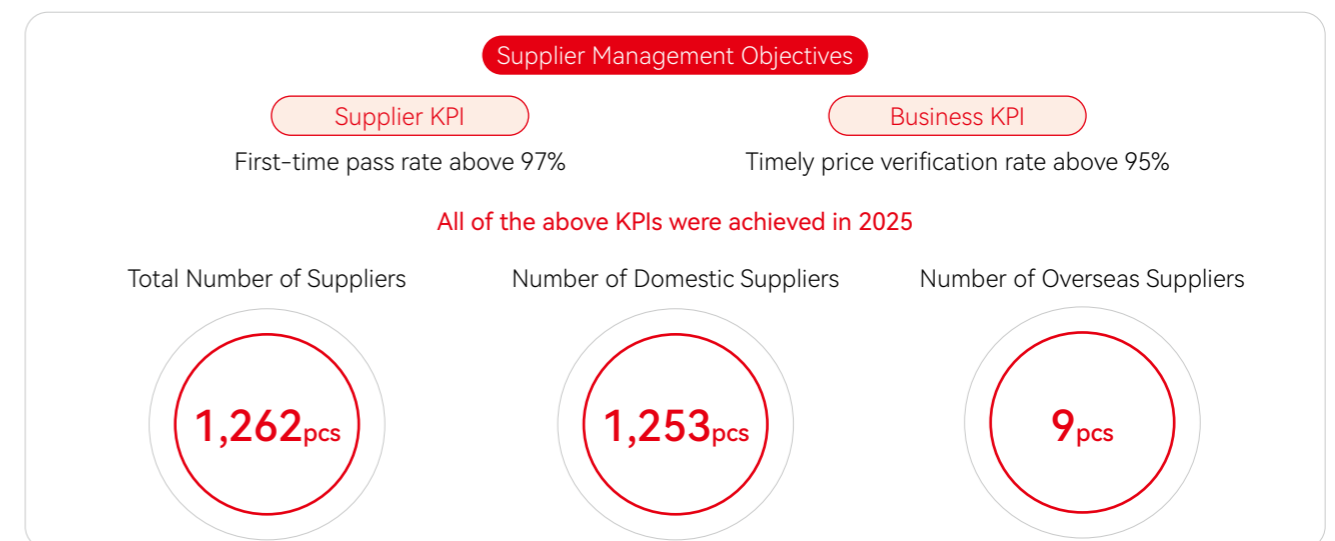
- Fully grasp market information, collect data on market material supply, and forecast market supply changes to ensure timely, high-quality, and sufficient material supply.
- Establish a qualified supplier list to evaluate suppliers' quality, business performance, delivery, and service, thereby analyzing and reducing supplier risk.



Risk Management

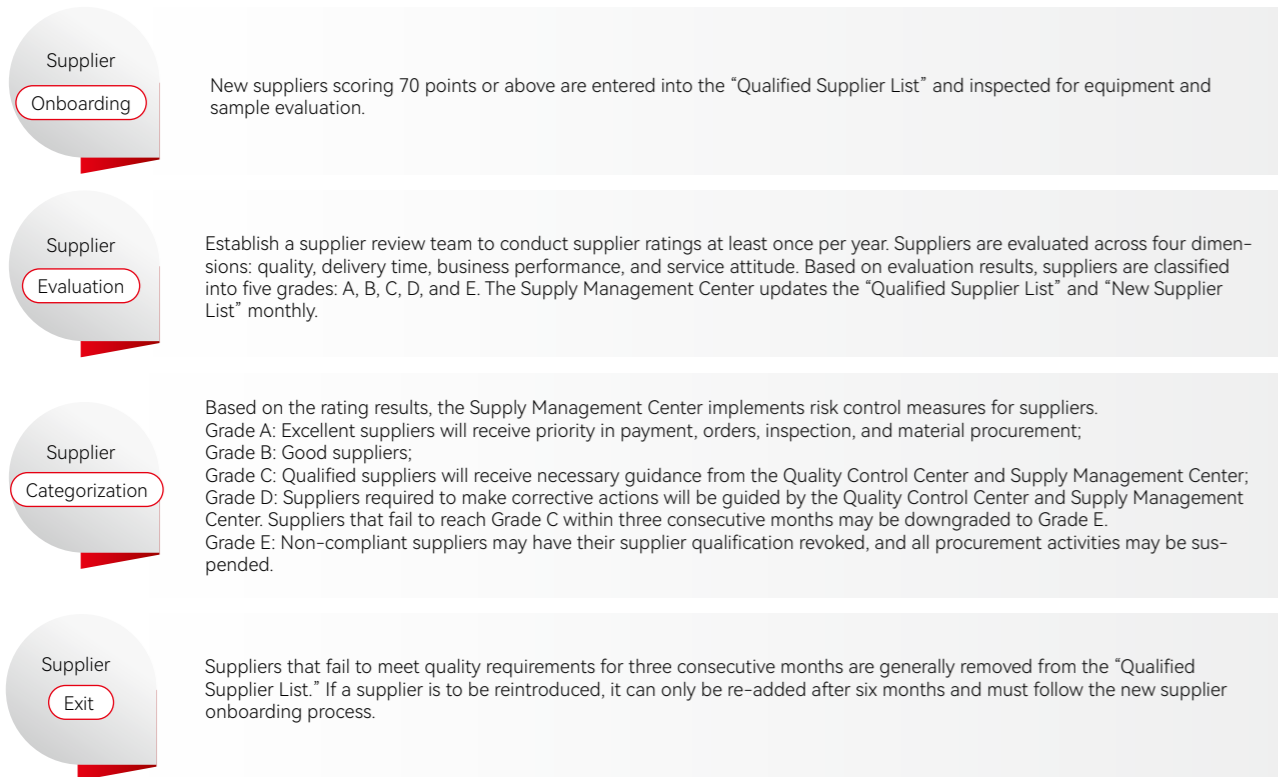
- The Company has detailed regulations for operational processes including procurement planning preparation, purchase requests, selection of procurement methods, request for quotations, purchase pricing, procurement contracts, incoming inspection, procurement payment, and procurement reconciliation, using standardized processes to reduce procurement risk.
- Establish a supplier elimination mechanism to conduct real-time management, assessment and evaluation of the quality, price and timeliness of delivery of materials or services provided by suppliers. Unqualified suppliers are eliminated based on assessment results to reduce procurement risks.

Metrics and Targets



Highlight Measures

Whole-life-cycle management of suppliers



Supply Chain ESG Management

To build a sustainable supply chain system, S.C extends ESG management requirements to supply chain management, engaging with suppliers on business ethics, occupational health and safety, and environmental protection, working together to deepen sustainable development practices.

Environmental Protection, Occupational Health, and Safety: The Company has formulated the *Environmental Protection and Safety Commitment*, clearly requiring suppliers to strictly comply with environmental, occupational health, and safety laws, regulations, and company management requirements during operations. At the same time, the Company investigates whether suppliers hold certifications such as ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), and QC080000 (Hazardous Substance Process Management System), which serve as important references for supplier evaluation.

Integrity and Compliance: The Company continuously improves the supplier integrity management system. By signing the *Integrity Agreement* with suppliers, compliance requirements are clarified, and procurement integrity training is conducted to enhance self-discipline awareness among personnel of both parties. Additionally, the Company provides online and offline reporting channels to ensure fairness, transparency, and compliance in commercial activities.

Quality Requirements: The Company attaches great importance to the delivery quality of the supply chain and has established a clear quality management mechanism. By signing the *Quality and Confidentiality Agreement* and the *Procurement Framework Agreement* with suppliers, the Company defines the standards for materials delivered by suppliers. At the supplier onboarding and regular review stages, suppliers are scored on whether they have established an ISO 9001 Quality Management System, ensuring stability of procured materials and services from the source.

Equal Treatment to Small and Medium-sized Enterprises

The Company adheres to equal treatment to small and medium-sized enterprises in its supplier management, upholding the principles of fairness and justice throughout the entire process from onboarding, procurement, to cooperation evaluation. As of the end of the reporting period, the Company's accounts payable (including notes payable) balance did not exceed RMB 6.0 billion, accounting for no more than 50% of its total assets.

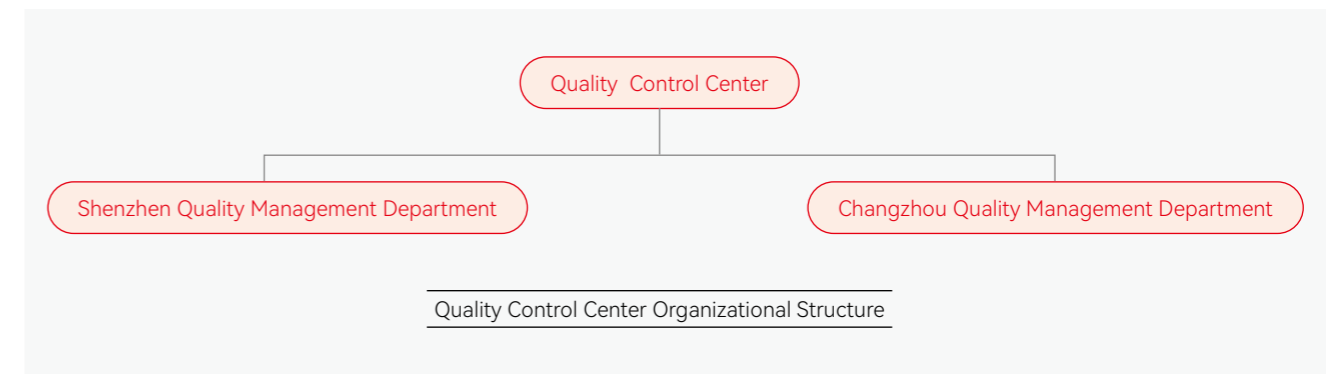
Delivering Excellent Products and Services

Governance

Management System

The Company has formulated systems such as the *Management System of the Quality Management Department*, adhering to the principles of scientific management, quality first, customer foremost, and integrity in business, and we have built a quality management organizational structure. The Quality Control Center is responsible for establishing, maintaining, and optimizing the quality control system. Its subordinate Quality Management Department supervises, controls, and improves product quality.

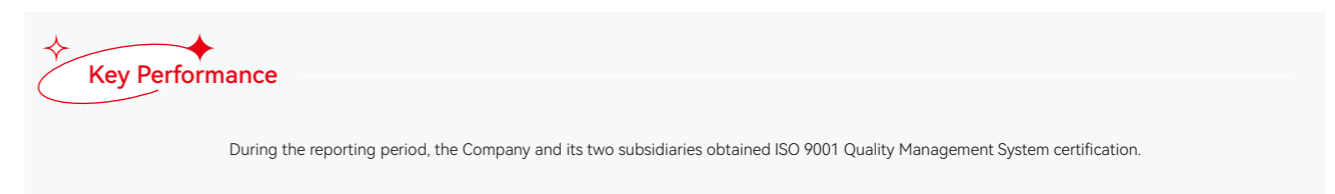
At the same time, the Company fully implements the Total Quality Management (TQM) model, combined with the Plan, Do, Check, Act (PDCA) management method, building a quality risk control system for the entire product lifecycle. Product quality control standards and specifications are clarified and detailed, aiming to improve product pass rates, achieve continuous quality improvement, and ensure products meet standards and customer requirements.



Quality Certification

ISO 9001 Quality Management System Certification

The Company actively promotes multiple management system certifications and conducts regular supervision and audits of the existing quality management system to enhance product quality, strengthen quality awareness among all employees, and improve the Company's overall quality management capabilities, further enhancing the Company's comprehensive competitiveness in markets.





Quality Management System Certificate

CE Certification

To meet product safety access requirements in various countries and regions, eliminate trade barriers, simplify customs clearance, and ensure that products comply with relevant safety and technical standards, A total of 41 models—including the Company's Horizontal PECVD, Horizontal Diffusion/Oxidation/Annealing Equipment, Horizontal Atomic Layer Deposition Equipment (AIOx), and Physical Vapor Deposition Equipment (PVD)—have obtained CE certification.



CE Certificate

EAC Certification

The Customs Union CU-TR certificate (also known as EAC certificate) is a certificate of conformity that products meet the technical regulations of the Customs Union. The Company actively promotes international conformity certification. Its PVD and IPA-free Alkaline Solar Cell Wet-processing Equipment have obtained EAC certification, laying a solid compliance foundation for market expansion.



EAC Certificate of Coating Equipment

ETL Certification

ETL certification mark is a recognized safety certification, representing compliance with relevant mandatory safety standards. During the reporting period, 32 models—including the Company's PECVD, Diffusion Furnace, and Mono-crystalline Batch Texturing Equipment—obtained ETL certification.



ETL Certificate

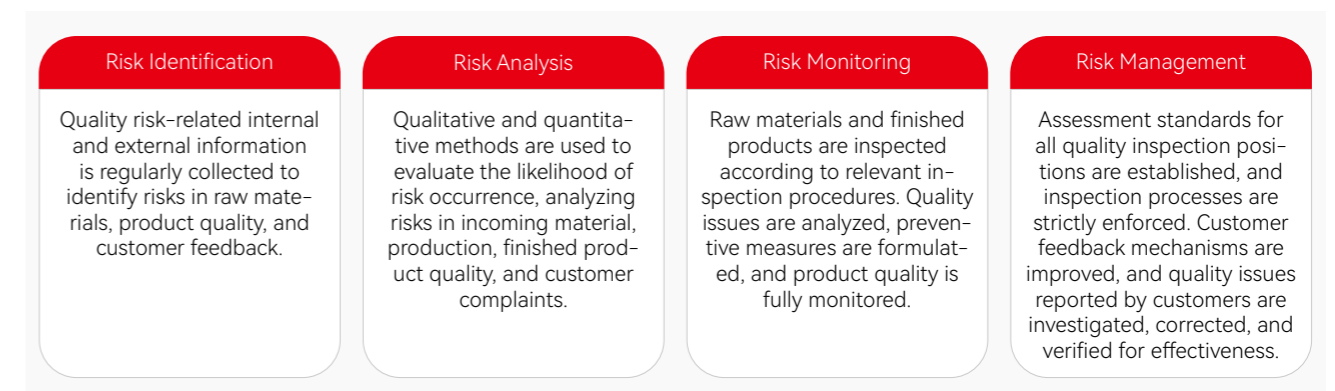
Strategy

The Company strictly follows product quality-related laws, regulations, and standards, and, in combination with its business conditions, identifies and analyzes all factors affecting product quality from multiple dimensions including potential impacts, risk challenges, and development opportunities. This ensures strict control of product quality, with the goal of maintaining high standards for every product and continuously enhancing the Company's market competitiveness and industry position.

Risk Type	Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Product Quality Risk	Product quality defects may lead to order loss and contract disputes, increasing after-sales costs, damaging the Company's reputation, causing a decline in market share, and weakening its market competitiveness.	Decrease in income Cost increase Company Reputation Risk	Low	Large	Long-term	Operations
	Measures	1. Improve the full-process quality risk management system, continuously optimize product lifecycle management, and strictly control each production stage to ensure products meet quality standards at delivery; 2. Establish and improve the customer feedback mechanism, regularly conduct customer satisfaction surveys, deeply understand customer opinions and suggestions on products and services, and optimize products and services.				
Opportunity Type	Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Technology Iteration Opportunities	High-precision and stable equipment must meet the demands of high-efficiency solar cell technologies. Delivering high-quality equipment can reduce downtime for maintenance and improve product utilization.	Increase in revenue	High	Large	Long-term	Operations
	Measures	1. Increase investment in product innovation and technological research to enhance product performance and stability; 2. Implement the Total Quality Management (TQM) to optimize production processes and improve process precision, comprehensively enhancing product quality.				

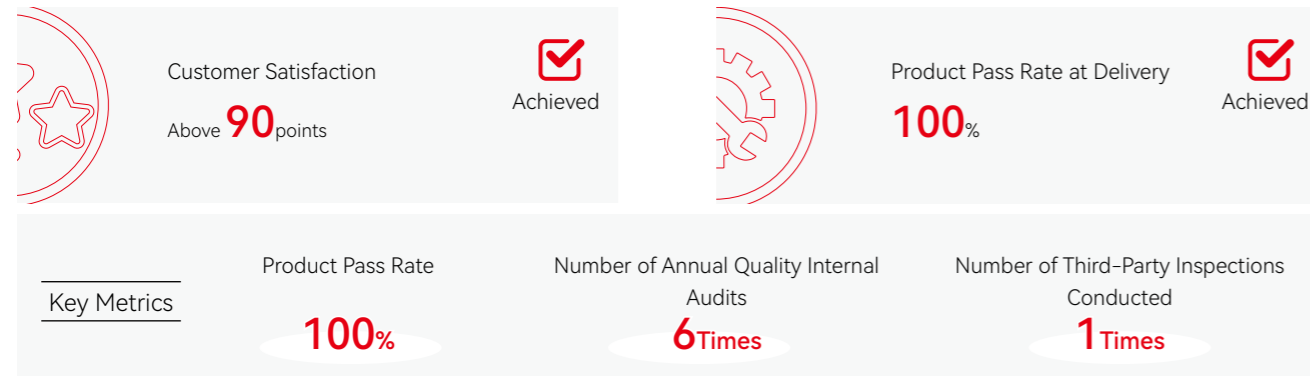
Impact, Risk, and Opportunity Management

To effectively respond to product quality risks and seize related opportunities, the Company strictly follows the ISO 9001 Quality Management System and has established standardized processes for material warehousing and finished product delivery. At the same time, the Company clearly defines the responsibilities of all positions in the Quality Management Department, ensuring that control requirements are implemented and striving to comprehensively reduce product quality risks.



Metrics and Targets

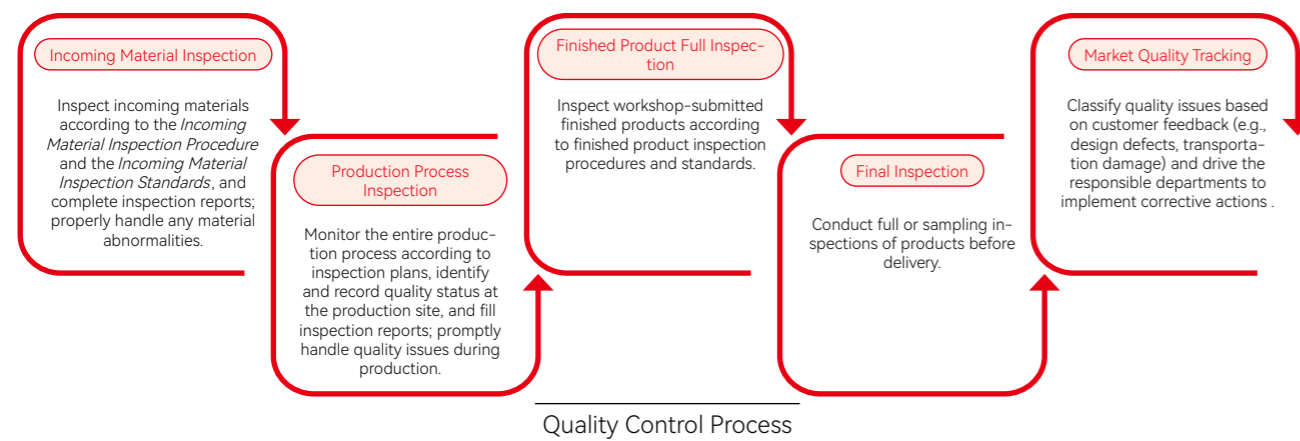
S.C consistently upholds the core values of “Customer Satisfaction, Continuous Innovation, Pursuit of Excellence.” By optimizing product management processes and improving product quality, the Company is committed to providing customers with high-quality, reliable products and services.



Product Quality Management

Whole-Life-Cycle Management of Products

The Company always regards product quality as a core competitive advantage and has formulated management systems such as the *Factory Acceptance Testing (FAT) Process* and the *Incoming Material Acceptance and Warehousing Process*. At the receiving stage, all relevant process standards are strictly enforced, and incoming materials are inspected prior to warehousing. At the FAT stage, all products are commissioned, tested, and inspected according to standards to ensure quality compliance, achieving full-process management from material procurement to finished product delivery.



Production Equipment Management

To continuously improve production equipment management, the Company has formulated rules such as the *Tool Management Regulations* and the *Maintenance and Installation Management Regulations*, standardizing the storage, issuance, return, and disposal of production tools, ensuring stable equipment operation, and supporting improvements in production efficiency and product quality.

Quality Digital Intelligence Platform

The Company has established the Quality Management System (QMS) that integrates full-process quality data collection requirements across production, inspection and procurement, and other processes. By leveraging intelligent and digital technologies, the System achieves precise data acquisition and efficient analysis of incoming material inspection, production process quality control, and finished product testing, supporting product quality improvement.

Lean Management

The Company has introduced lean production management concepts. By implementing lean management, operational efficiency is improved, production cycles are shortened, capacity bottlenecks are overcome, and product quality is enhanced.

The Company builds a lean operations system by establishing a professional lean promotion organization, improving lean improvement mechanisms, optimizing existing work models, establishing logistics and distribution systems, and promoting standardized operations, achieving operational performance enhancement and high-quality development.



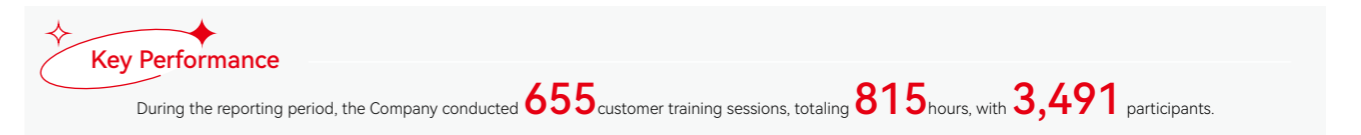
Enhancing Customer Experience

Protecting the rights and interests of customers

The Company always adheres to a customer-centric approach, building a comprehensive and systematic service system. Management systems such as the *On-Site Customer Exception Management Standard* and the *After-Sales Exception Handling Process* have been established, along with a four-level exception response mechanism, ensuring rapid and professional responses to equipment anomalies, maintenance, and technology upgrade needs. At the same time, the Company integrates customer privacy protection throughout the service process, providing efficient service while safeguarding customer data security and privacy, aiming to create a professional, efficient, and secure service ecosystem for customers.

Customer Service Training

The Company is committed to delivering high-quality service and regularly conducts specialized customer rights and interests training for employees in business-related positions. During training, typical service cases are reviewed, and practical service experiences are shared to help employees deepen their understanding of customer rights and interests protection and strengthen service capabilities. A training effectiveness tracking mechanism is also established to ensure that training outcomes are applied, better protecting customer rights and interests as well as improving customer satisfaction.



Responsible Marketing

The Company strictly complies with laws and regulations including the *Anti-Unfair Competition Law of the People's Republic of China* and has established regulations such as the *Anti-Unfair Competition Compliance System* and the *Control Procedures for Product Labeling and Traceability* to comprehensively standardize product marketing activities. At the same time, the Company strictly manages information released through all promotion and marketing channels, ensuring that all content is accurate and compliant, and assumes primary responsibility for the authenticity of the published content. This ensures that the Company complies with the requirements of national laws and regulations in all aspects of marketing and customer service, establishing a corporate image of integrity.

Customer Satisfaction

To understand customer needs and expectations, the Company has established the *Customer Satisfaction Survey Management Procedure*. At the end of each year, the Marketing Center distributes satisfaction survey forms to customers via fax, electronic documents, or mail. Surveys cover product technology, delivery time, product quality, service attitude, and complaint handling timeliness. The Company summarizes and analyzes the customer satisfaction data and develops corresponding improvement plans to enhance product quality and optimizeservice, providing a solid foundation for the Company's high-quality development.

Key Performance

During the reporting period, customer satisfaction reached **95** points, with **74** customers surveyed.

Handling of Customer Complaints

To systematically manage customer feedback, the Company has established the *Customer Complaint Control Procedures* to standardize the complaint handling process. The Marketing Center is responsible for receiving, recording, and escalating complaints to relevant departments, which coordinate with Marketing to conduct investigations. Responsible departments such as the Quality Management Department and the Engineering Department must implement effectively corrective actions based on investigation results. All complaints and handling results are recorded in the customer complaint archive, and with follow-up visits conducted to monitor the effectiveness of the resolution, ensuring that customer concerns are properly addressed.

Key Performance

Number of Customer Complaints **0**, Number of Customer Complaints Resolved **0**
Number of Customer Complaint Response Assessments **0**, Pass Rate of Customer Complaint Response Assessments **100%**

Note: During the warranty period, company engineers provide on-site service at customer locations. Any anomalies are immediately addressed on-site, preventing customer complaints.

Properly Protecting Information Security

Information Security Management

To systematically standardize information management and enhance information security protection, the Company has established and implemented a series of regulations, including the *Computer System Management System*, the *Information Security Management Measures*, the *Data Asset Security and Confidentiality Regulations*, and the *Information System Risk Management System*. The regulations stipulate that the IT Department is responsible for coordinating and managing the Company's information security, ensuring the stable operation and secure control of the network environment and all information systems.

The IT Department has a dedicated position for Information Network Security Engineer, regularly conducting company-wide information system risk assessments. Based on the assessment results, targeted protective measures are implemented, weaknesses in management processes are continuously improved, and potential risks such as data leaks or virus infections are effectively reduced.



Information Security Management System Certificate

Key Performance

During the reporting period, the Company successfully obtained ISO 27001 Information Security Management System certification. No information security incidents occurred during this period.

Regular Security Governance

Information Security Prevention and Control

The Company has built a multi-layered information security protection system. Strict data access control is implemented, and key operational data and R&D technical materials are encrypted to systematically prevent risks of data leakage, tampering, and loss, ensuring the confidentiality, integrity, and availability of company data assets. In addition, the Company regularly performs virus scanning, system inspections, and vulnerability detection, conducts security audits on network boundaries and core business nodes, and properly protects and backs up audit records, forming a defense-in-depth capability.

Digital Transformation

The Company actively promotes digital transformation. By deploying information systems such as System Applications and Products (SAP), Customer Relationship Management(CRM), Supplier Relationship Management(SRM), and Office Automation(OA), the Company achieves full-process digital management from customer orders and production planning to product delivery. By leveraging the CRM system to connect data flows between R&D and after-sales service, the Company has significantly improved the accuracy and efficiency of material management and component upgrades, thereby continuously optimizing product quality, reducing production costs, and minimizing Excess & Obsolete (E&O) inventory.

During the digital transformation process, the Company simultaneously practices a green and low-carbon operational philosophy. Through measures such as adopting energy-efficient equipment and promoting desktop cloud and virtualization technologies, the Company effectively reduces energy consumption and carbon emissions, achieving coordinated improvements in operational efficiency and environmental friendliness.

Emergency Incident Management

To effectively respond to IT emergencies, the Company's IT Department has established a robust backup mechanism. Scheduled backups are set up for core business systems and critical device configuration files in the data center. Network administrators conduct daily checks and maintenance of these backup tasks to ensure successful data backups.

In addition, the Company conducts recovery tests quarterly or semi-annually based on backup strategies. The tests cover file-level recovery, system-level recovery, and disaster recovery, continuously optimizing the backup and recovery system to ensure rapid data and service restoration in emergencies.

VMware Virtual Machine Restoration Drill

On March 25, 2025, the Company organized a practical backup and recovery drill for VMware virtual machines. The drill strictly followed the official Veeam recovery guide and successfully completed the restoration of three virtual machines, effectively verifying the reliability of the backup system and enhancing the Company's emergency operational capability for data system recovery.

04

Growing Together to Build a Better Future

Protection of Employees' Rights and Interests	67
Employee Democratic Development	72
Promoting Employee Growth	74
Occupational Health and Safety	76
Giving Back to Society through Concrete Actions	82



Protection of Employees' Rights and Interests

Provide Diverse and Equitable Employment

Talent Recruitment Management

The Company fully implements the requirements of laws including the *Labor Law of the People's Republic of China* and the *Employment Promotion Law of the People's Republic of China*. Internal regulations such as the *Employee Recruitment Management System*, the *Compensation Management System*, and the *Employee Resignation Management Regulations* clearly define recruitment procedures from application to offer issuance, gradually improving the human resources management system.

In addition, the Company formulates plans for various human resources modules based on operational direction, goals, and priorities, forming an annual HR plan, diversifying recruitment channels, and actively engaging in talent acquisition. The Company attracts and selects talent through a combination of online and offline channels, including online recruitment websites, the corporate website, WeChat official account, job fairs, and briefing sessions. During the reporting period, the Company organized 123 briefing sessions and 122 job fairs.

Key Performance

During the reporting period, **428** new employees were hired, including **136** through campus recruitment and **292** through social recruitment. The employee labor contract signing rate was **100%**.

Diversity, Equality, and Inclusion

Equality and Diversity

The Company is committed to building an inclusive and diverse work environment, always adhering to principles of fairness. Recruitment, promotion, compensation, and benefits are free from discrimination based on ethnicity, origin, gender, age, religion, or any other factor. The Company strictly prohibits child labor and any form of forced labor, providing equal development opportunities, fostering a fair and inclusive workplace, and cultivating a diverse corporate culture.

Key Performance

In 2025, the Company recorded zero incidents of labor discrimination, child labor, forced labor or harassment.

Key Metrics (Unit: person)

Total Number of Employees

3,877

By Gender

Female **644**
Male **3,233**

By Age

Under 30 (exclusive) Years Old **1,458**
30 to 40 Years Old (Inclusive of 30, Exclusive of 40) **1,712**
40 to 50 Years Old (Inclusive of 40, Exclusive of 50) **596**
50 Years Old and Above **111**

By Academic Qualification

Bachelor's Degree or Above **231**
Bachelor's Degree **1,165**
College Degree **984**
Below College Degree **1,497**

By Function

Production **1,414**
Sales **77**
Technology **1,143**
Finance **67**
Administration **221**
Engineering **955**

Protection of the Rights and Interests of Female Employees

The Company emphasizes protection of female employees' rights, strictly complying with laws including the Law of the People's Republic of China on the Protection of the Rights and Interests of Women. Statutory holidays, such as maternity and nursing leave, is fully implemented, ensuring female employees enjoy equal rights in compensation, promotions, allowances, and benefits, fostering a fair, open, and inclusive environment for protecting female rights.

In addition, the Company has established independent nursery rooms, equipped with desks, chairs, and power outlets, providing a private and independent space for female employees during pregnancy and lactation. The tea room outside the nursery room is equipped with a refrigerator, microwave, washbasin, potable water, and purified water, as well as a four-person bar counter, offering convenient supporting facilities for employees.



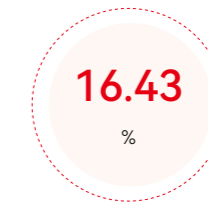
International Women's Day Activities

Key Metrics

Number of Female in Management



Proportion of Female in Management



Employee Compensation and Benefits

Compensation System

The Company has established the *Compensation Management System*, strictly adhering to the principles of strategic orientation, position-based pay, performance and capability-based compensation, and pay adjustments upon position changes. It defines job levels, ranks, and responsibilities, builds multi-dimensional career paths, and sets compensation

and benefits standards aligned with job levels and ranks. In designing the compensation system, the Company benchmarks against industry and regional salary levels, ensuring employee pay is reasonable. Also, salary levels are dynamically adjusted annually based on the latest industry and regional compensation benchmarks, continuously maintaining market competitiveness of its salaries. For production line positions, the Company implements incentives such as work-hour performance rewards and contracted pay, effectively stimulating employee initiative and enthusiasm, promoting a positive linkage between employee performance and company development.



Performance Assessment

The Company has established a comprehensive assessment system covering all levels. Assessment cycles are scientifically set according to job types and position levels: senior management and specific talents are primarily evaluated quarterly and annually, while other positions focus on monthly and annual evaluations, ensuring effective linkage between short-term goals and long-term development.

In designing the performance system, the Company considers the characteristics of different positions, building differentiated frameworks including project performance, engineering performance, work-hour performance, R&D performance, and year-end performance. Performance assessments are work-result oriented, while also evaluating key factors such as individual competencies, future development potential, and personal conduct.

To ensure fairness, the Company adopts a combined KPI + OKR evaluation model for monthly performance reviews, while annual assessments use a 271-point grading system. Standardized processes for performance appeals, performance discussions, and performance coaching are also in place to continuously optimize the assessment mechanism and ensure a fair and systematic process.

Key Performance

During the reporting period, **100%** of employees underwent regular performance and career development assessments.

Performance Appeals and Feedback

The Company has formulated the *Performance Assessment Management System*, which clarifies employee channels for appeals and feedback, safeguarding fairness and transparency in performance management. In daily work, supervisors are encouraged to provide timely constructive feedback, followed by formal discussions after regular evaluations. If an employee has a significant objection to the final written evaluation, they may submit a formal appeal in writing to the Group's Administrative Center or the subsidiary's Human Resources Department within five working days, explaining the reasons and providing supporting evidence. The Group's Administrative Center or the subsidiary's Human Resources Department will coordinate with relevant departments to conduct an impartial and confidential investigation and review within a specified period and provide the employee with final feedback and reasoning. The entire process adheres to principles of objectivity, issue-based evaluation, confidentiality, and non-retaliation, ensuring employees' legitimate rights and promoting continuous optimization of performance management.

Employee Benefits

The Company has also established the *Employee Continuing Education System*, the *Employee Welfare System*, and the *Welfare Management Regulations*, building an employee benefits system covering life, health protection, and career development, supporting employees in clothing, food, housing, transportation, health, and learning.

In practice, the Company provides employee dormitories or housing subsidies, assists in applying for affordable housing, and offers meal allowances, birthday benefits, regular check-ups, high-temperature subsidies, and green commuting support. For special groups, the Company strictly complies with laws and regulations and establishes dedicated management systems to provide targeted support and assistance to interns, rehired personnel, employees in need, and employees with disabilities. During the Reporting Period, we achieved a 100% social insurance coverage.

Additionally, the Company conducts systematic surveys of employee needs as needed, fully meeting customized benefit packages across different age groups and personal interests, effectively improving employee satisfaction and promoting the deep integration of corporate values and culture.



Equity Incentive

To further establish and improve the Company's long-term incentive mechanism, attract and retain outstanding talent, fully mobilize the enthusiasm of company employees, and effectively align the interests of shareholders, the Company, and employees, ensuring all parties jointly focus on the Company's long-term development, the Company has implemented restricted stock incentive plans in 2023, covering core technical and business personnel employed by the Company. During the reporting period, under the Company's 2023 Restricted Stock Incentive Plan, a total of 578,420 restricted shares vested to 344 Participants in the second vesting period.

Care for Employee Life

Employee Activities

The Company actively builds employee clubs and associations, establishing internship support groups, a photography association, a badminton association, a basketball association, and an internal trainer team, providing employees with rich platforms for interaction and activities. Through diverse club activities, the Company effectively enhances employee interaction and emotional connection, strengthens the sense of belonging between employees and the company, fosters team cohesion, and improves overall team competitiveness.



Employee Support

The Company always adheres to the philosophy of "People-oriented, Harmonious Development," regarding employees as its most valuable asset. To enhance employees' sense of gain and belonging, the Company has built a multi-level support system covering the entire career lifecycle of employees. In terms of life protection, the Company legally contributes to social insurance for employees and has established an "Employee Mutual Aid Fund" to provide timely financial assistance and psychological support to employees and their families in cases of major illness, accidents, or family emergencies.

Employee Care

The Company adheres to a people-oriented approach, establishing a "Wellness Station", psychological counseling room. Senior psychological experts are periodically invited to conduct mental health lectures, disseminate mental health knowledge, assist employees in addressing psychological issues, and protect employees' mental well-being.



Psychological Lectures



Wellness Station

Employee Democratic Development

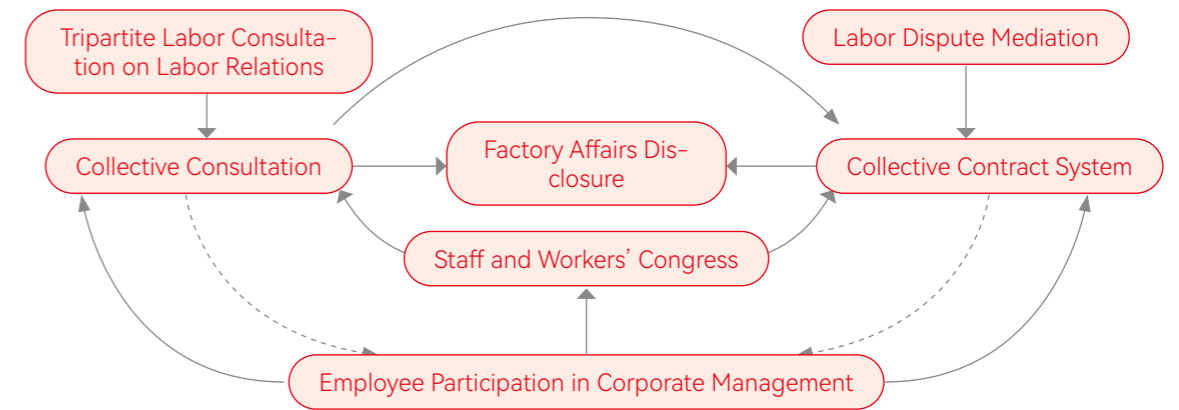
Democratic Management

The Company has established a Trade Union and actively promotes democratic management. It strictly implements mechanisms such as the Staff and Workers' Congress, factory affairs disclosure, collective consultations and collective contracts, tripartite consultation mechanism on labor relations, and labor dispute mediation, ensuring employees' rights to information, participation, and supervision.

Key Performance

During the reporting period, the Company held one the Staff and Workers' Congress, approving **22** project proposals.

The Company actively explores multi-level the Staff and Worker's Congress systems, extending democratic management across all levels and departments. Through diverse communication channels such as suggestion boxes, regular forums, and Trade Union communication days, the Company further diversify the channels for employees' participation in corporate governance, effectively building a bridge for positive interaction between the Company and employees.



Diverse Communication Channels

The Company has established a diversified communication mechanism, ensuring employees' requests and suggestions are conveyed accurately and promptly to management, thereby enhancing employees' sense of corporate identity and belonging. At the same time, the Company has established clear and accessible employee complaint channels. Employees may submit complaints or suggestions regarding human rights, work environment, safety, and related issues according to regulations, fully safeguarding their legal rights and interests.



Formal Communication Channels

Departments regularly organize meetings to ensure employees receive timely and accurate information on corporate operations, company updates, and industry trends, while also providing employees opportunities to present personal suggestions and opinions.



Informal Communication Channels

The Company uses internal OA systems, emails, WeCom accounts, and forums, allowing employees to access company updates anytime, communicate online with colleagues, and give feedback to management.

Employee Complaint and Reporting Procedures

- Reporting to Direct Supervisor** When encountering problems or dissatisfaction, employees may first report to their direct supervisor to seek a resolution.
- Complaint to the Human Resources Department** If the direct supervisor cannot resolve the issue or the employee is dissatisfied with the results, a complaint may be submitted to the Human Resources Department.
- Labor Dispute Mediation Committee** The Company's Trade Union has established a Labor Dispute Mediation Committee, responsible for handling employee complaints and disputes. Employees may submit complaints to the Committee and receive mediation.
- Internal Complaint Channels** Employees may also report directly to the management through internal OA systems or email.

Employee Satisfaction Survey

The Company conducts employee satisfaction surveys covering office environment, meal management, accommodation, compensation and benefits, salary structure, and leave policies, and implements systematic optimizations based on survey results.

Key Performance

During the reporting period, the Company conducted three employee satisfaction surveys, with employee satisfaction over **80%**.

Labor Dispute Management

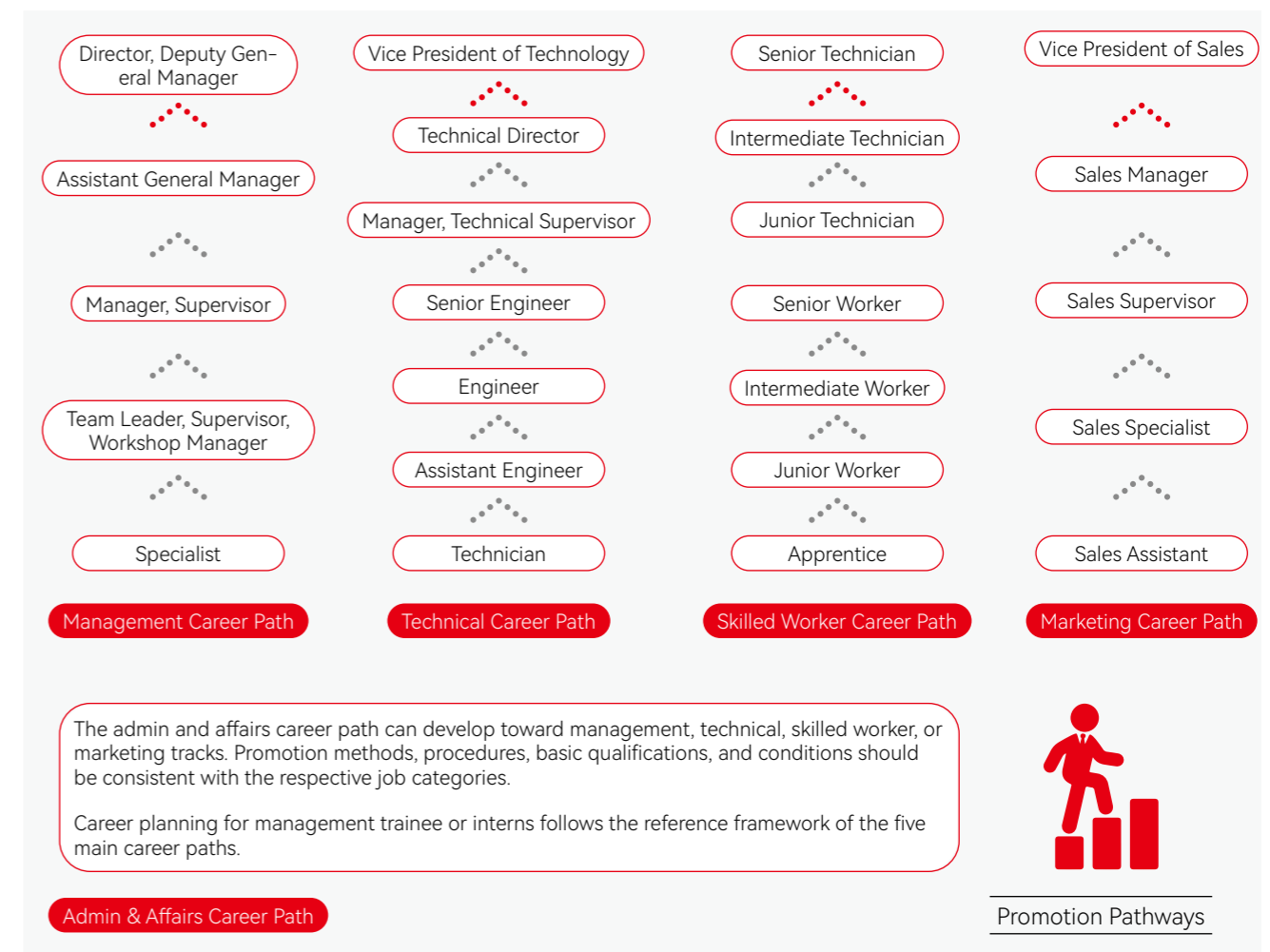
In accordance with the *Regulations on the Handling of Labor Disputes of Enterprises of the People's Republic of China*, the Company has established the *Working Rules of the Labor Dispute Mediation Committee* and the Labor Dispute Mediation Committee is responsible for mediating various labor disputes and conflicts within the Company, inspecting and urging the parties involved in the disputes to fulfill the mediation agreements, and promoting employee awareness of labor laws and regulations to prevent disputes.



Promoting Employee Growth Establishing Career Development Paths

Promotion Channel

The Company has formulated the *Career Planning Management Measures* to provide all employees with a fair and just career development platform. The Company offers five career development channels: management, technical, skilled worker, marketing, and admin&affairs, with clear job classification standards. It has also established five flexible career development mechanisms: vertical, horizontal, dual, multi-path, and networked. Employee career paths are planned according to individual interests and the Company's strategic needs, meeting the Company's talent pool requirements at all levels for sustainable development while significantly enhancing the professional skills and overall quality of the workforce across all levels.



Internal Transfers

The Company has established standardized policies for internal transfer and internal competitive selection to support reasonable talent mobility and career development. Internal transfers are facilitated through employee applications or departmental recommendations, helping employees match roles with their abilities and strengths. This approach enhances role fit and work efficiency while broadening career growth opportunities. For internal competitive selection, the Company has established a professional evaluation committee to comprehensively assess candidates and determine final appointments, ensuring a fair, transparent, and role-appropriate selection process.

Employee Training and Development

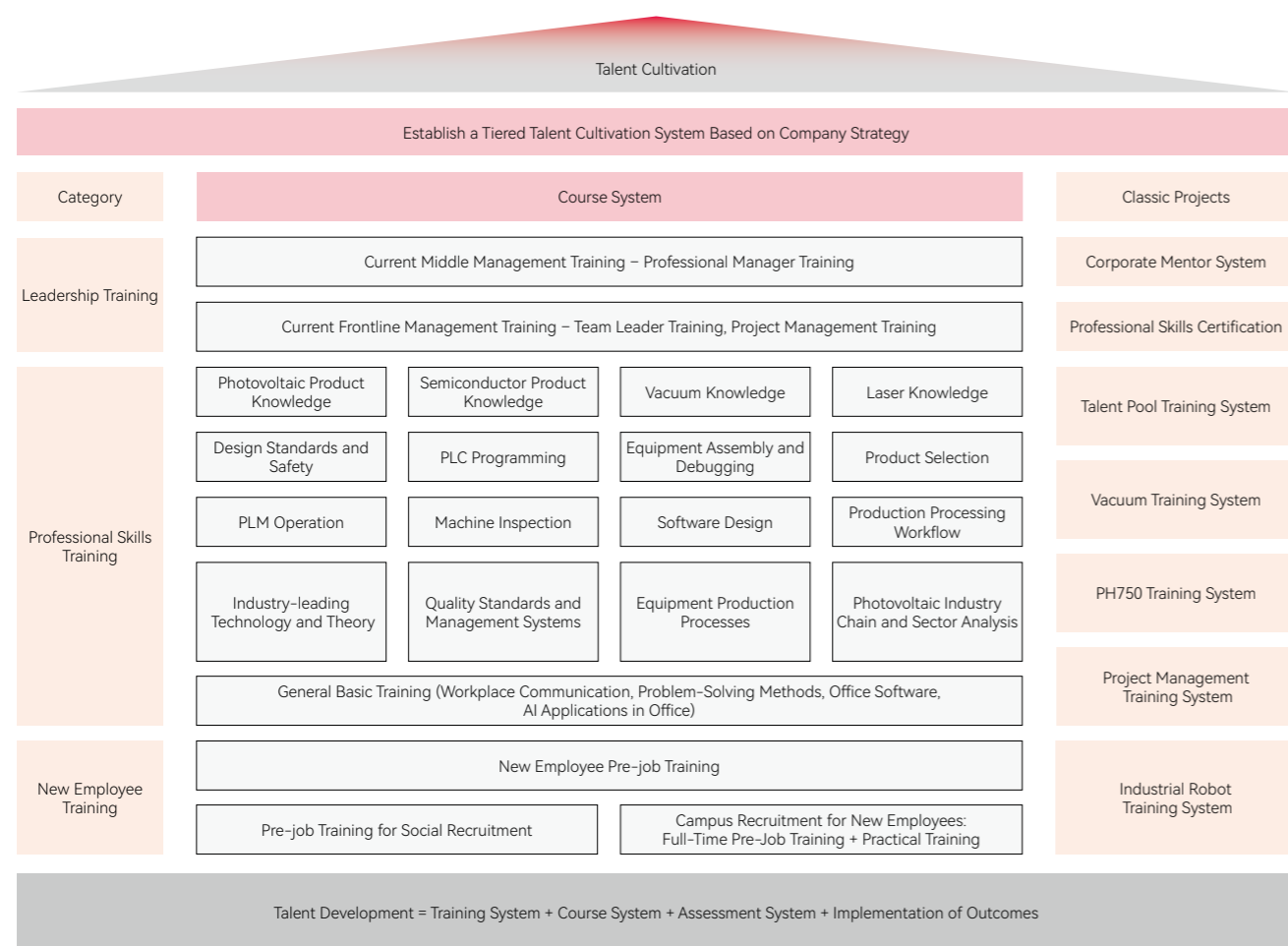
Training System Construction

The Company prioritizes talent development and always regards talent as the core driving force for sustainable growth, striving to provide employees with continuous learning and development opportunities. The Company has formulated the *Employee Training Management System* and the *Internal Trainer Management System*. Through internal training, mentorship programs, and external courses, employees are supported in continuously improving professional skills and overall competencies.

To better meet core business needs such as R&D, the Company continuously optimizes the training management system and course offerings, adding specialized training on product components and design safety, electrical technology and practical operation, vacuum product knowledge, and inviting university professors to provide instruction, achieving a deep integration of theoretical knowledge and practical application.

The Company also strengthens training evaluation mechanisms by adding training observers and project outcome reporting in specialized courses, promoting the training system's standardization, refinement, and effectiveness.

In 2025, the Company conducted **290** training sessions for employees, with **8,800** participants, totaling **870** training hours.



Training System

Internal trainers

The Company has established a mature internal trainer management system and formed a well-structured internal trainer team, currently comprising over ten internal trainers. Trainers are classified into four levels—Knowledge Sharer, Junior, Intermediate, or Senior—based on their professional capabilities, teaching skills, courseware development skills, feedback, teaching methods, and teaching hours, establish a standardized development system for internal trainers.

To motivate trainers, the Company selects and recognizes outstanding trainers annually on Teacher's Day, based on their teaching hours, courseware quality, and course evaluations. The Company also emphasizes continuous development of trainers, conducting annual promotion assessments to enhance professional competence.

Occupational Health and Safety

Governance

The Company strictly adheres to the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Work Safety Law of the People's Republic of China*, and other relevant laws and regulations, implementing an occupational health and safety policy of "people-oriented, caring for employees, adhering to laws and regulations, and ensuring safety". The Company has formulated the *Environmental, Occupational Health and Safety Management Manual* and the *Occupational Health Management System*, fully implementing standardized work safety management to protect employees.



To improve work safety management and enhance accident prevention and response capabilities, the Company has established the Work Safety Committee, consisting of a director, deputy director, and members, which serves as the Company's work safety management body. The Work Safety Committee has three core responsibilities: accurately identifying work safety risks and hazards and developing targeted measures; leading the investigations and analyses of major safety incidents; and supervising the implementation of corrective measures for safety hazards throughout the process.

As of the end of the reporting period, the Company and Changzhou S.C have obtained ISO 45001 Occupational Health and Safety Management System certification.

Key Performance

During the reporting period, the Company did not experience any major work safety incidents.

Implementation of the Work Safety Responsibility System

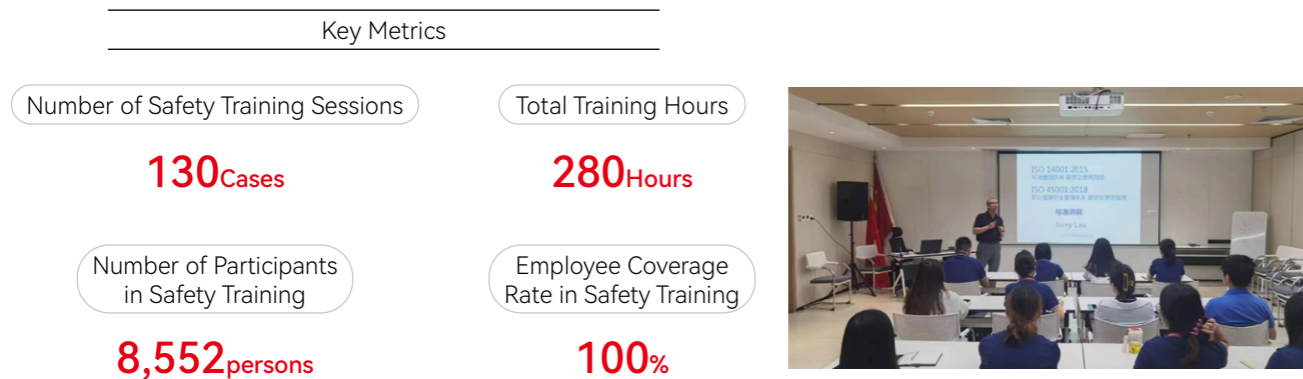
To implement higher-level requirements on work safety responsibilities and further improve the safety responsibility system, the Company requires all employees to sign the *Work Safety Responsibility Statement*, effectively enforcing primary responsibility for safety, ensuring safety measures are properly executed, and preventing and reducing work safety incidents.

Key Performance

During the reporting period, **100%** of the Company's employees at the Shenzhen base signed the *Work Safety Responsibility Statement*.

Training of Professional Skills

The Company regularly conducts work safety education to enhance employees' emergency response capabilities and self-protection skills.



Strategy

Occupational health and Work safety are deeply integrated into the Company's overall development strategy, constituting an important part of its core strategy. Adhering to the work safety principle of "Safety first, Prevention-oriented, Comprehensive Management," the Company regards occupational health and safety as the cornerstone of sustainable development. While pursuing economic benefit, the Company never compromises employee health and safety, protecting the safety and health of all employees in the workplace.

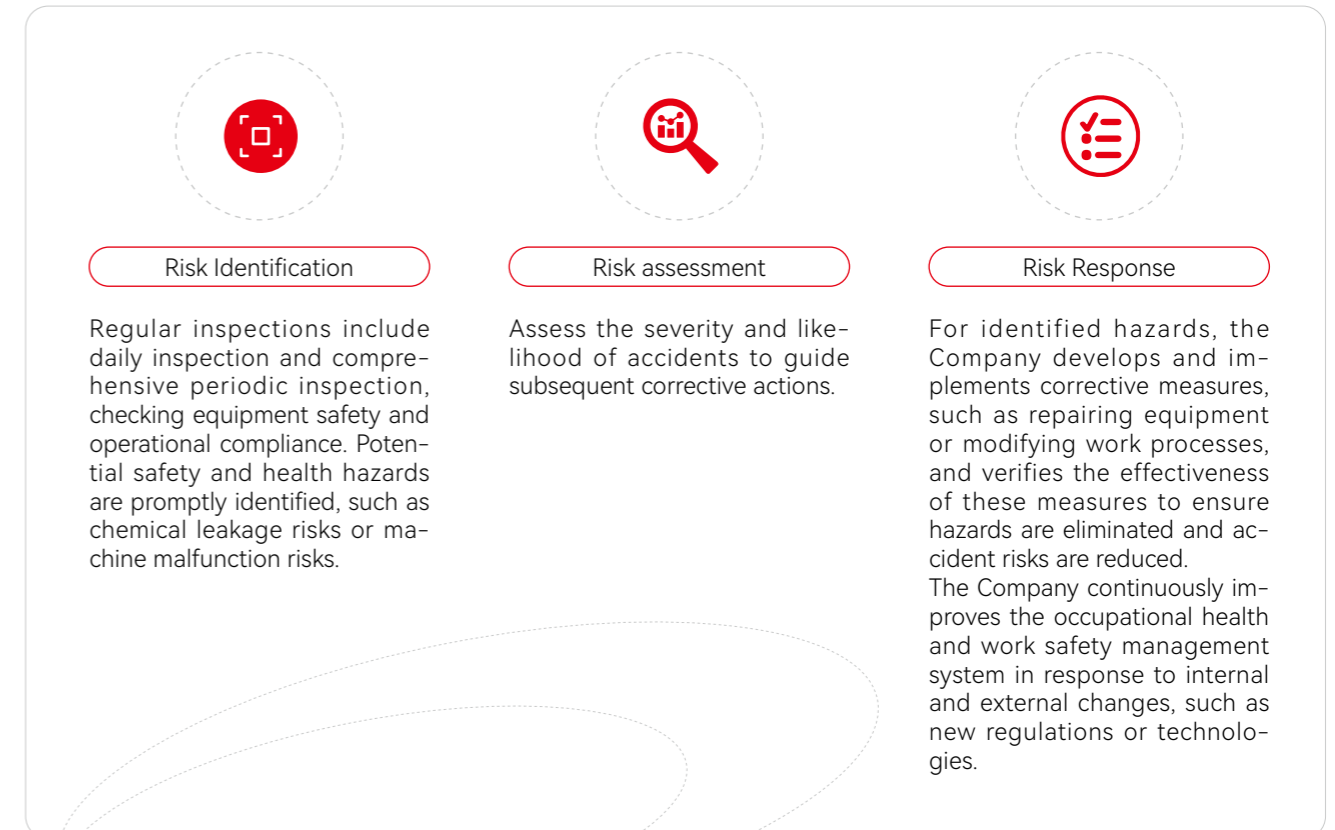
Risk Type	Risk Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Legal risks	If employees fail to understand or implement work safety regulations, the Company may face severe penalties, deadlines for rectification, or other measures, which could hinder daily operations.	Revenue loss Increased operating costs	Medium	Medium	Long-term	Operations
	Measures	The Company conducts regular occupational health and production training and strengthens the promotion of work safety.				
Reputation risks	Major work safety incidents or occupational disease outbreaks could damage brand reputation, undermine market confidence, weaken financing and expansion capabilities, attract public concerns, and result in customer loss or contract termination.	Decrease in income	Medium	Medium	Long-term	Operations
	Measures	1. Implement the work safety responsibility system and clarify work safety responsibilities for each department. 2. Conduct regular occupational health check-ups and emphasize occupational disease hazard prevention. 3. Develop emergency response plans and organize regular emergency drills.				
Operating Risks	Major safety or occupational health incidents may result in forced shut down by regulatory authorities, high operational costs from liquidated damages and work injury compensation.	Increase in operating Facing Fines	Medium	Medium	Short-term	Operations
	Measures	1. Comply with occupational health and safety management systems. 2. Establish occupational hygiene notice boards and regularly monitor occupational hazard factors.				

Opportunity Type	Opportunity Description	Financial Implications	Likelihood of Occurrence	Impact Magnitude	Impact Duration	Impact on Value Chain
Opportunities in Management Efficiency	Optimize management processes to improve the efficiency of occupational health and safety management.	Reduced coordination costs	Medium	Medium	Medium and long-term	Operations
	Measures	1. Implement smart safety management platforms for data monitoring and early warning. 2. Follow occupational health management procedures and monitor changes in laws and regulations.				

Impact, Risk, and Opportunity Management

Management Process

The Company has established and operates the *Hazard Source Management System*, identifying and evaluating hazards within the scope of the Company's management system.



Safety Hazard Inspection

The Company deepens the implementation of worksafety risk classification control, formulates the *Hazard Inspection and Management System*, conducts regular safety inspections to identify potential hazards, and refines control measures to eliminate various safety risks. Hazard rectification management system is strictly enforced to ensure all issues are thoroughly addressed in order to effectively mitigate potential risks. During the reporting period, the Company conducted 365 safety hazard inspections, identified 259 hazards, completed rectification for 256 hazards, achieving a rectification rate of 98.84%.



Emergency management

The Company has established the *Emergency Management Manual* and the *Emergency Response Procedures* to ensure employees can respond quickly, in an orderly manner, and effectively during emergencies, and to ensure timely control and handling of emergencies to minimize casualties, property damage, and environmental pollution. The Company has emergency preparedness and response measures in place for potential accidents and emergency incidents, and conducts investigations, corrective actions, and improvements for incidents that occur.

Additionally, the Company has formulated the *Emergency Response Plan Management System*, establishing a tiered emergency response management framework based on factors such as the severity of potential accidents and their scope of impact, and developing specialized response plans for various types of potential incidents, conducting regular drills to ensure rapid response and handling of emergencies. During the Reporting Period, the Company organized a total of 23 safety emergency drills.



Metrics and Targets

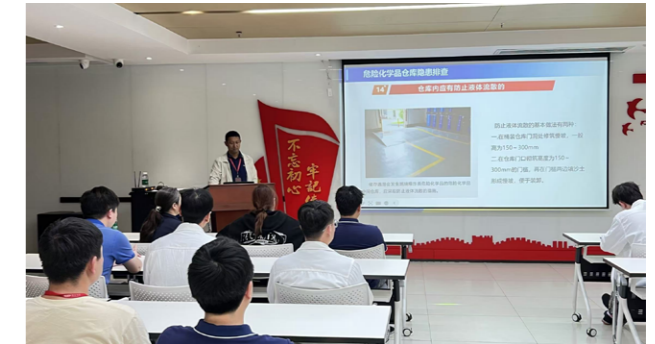
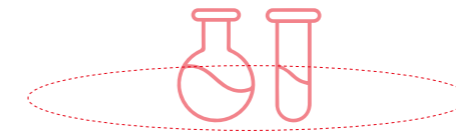
During the reporting period, the Company announced its safety production policy and targets for 2025, implementing all safety measures guided by these objectives, and continuously improving safety production management standards.

<p>To prevent major and catastrophic accidents, achieving zero major accidents annually</p> <p>Achieved</p>	<p>To reduce the occurrence of other accidents, maintain an injury rate below 2%, and keep occupational disease incidence rate below 2%</p> <p>Achieved</p>
<p>Employee safety training completion exceeds 100%</p> <p>Achieved</p>	<p>Potential hazard investigation and rectification rate is over 98%</p> <p>Achieved</p>
<p>Work safety responsibility system is implemented and signing rate of the <i>Work Safety Responsibility Statement</i> is 100%</p> <p>Achieved</p>	<p>Work safety-related accidents are zero</p> <p>Achieved</p>

Security Assurance Measures

Chemical Management

The Company has formulated the *Hazardous Chemical Management System* and established an emergency rescue system, strictly managing the full lifecycle of hazardous chemicals, including transportation, loading and unloading, storage, transfer, use, and disposal, ensuring safe operations and preventing fires, explosions, poisoning, and other accidents.



Hazardous Chemical Safety Training

Safety Digital Platform

S.C's Smart Safety Management Platform has realized real-time monitoring of safety data and multi-level early warning functions. It enables round-the-clock monitoring of real-time data from 3 natural gas monitoring points in the Company's kitchen, 3 hazardous areas, 2 major hazard source devices, 512 monitoring points at headquarters, and 197 monitoring points in the SaiGe Park. The Platform is also designed to integrate the large-screen interaction (PC) and mobile features, constructing a full-process intelligent control system of "rapid response + real-time monitoring + early warning + emergency response + system evaluation." This enables integrated supervision of intelligent safety operations and effectively reduces the risk of safety incidents.



Fire Alarm Controller

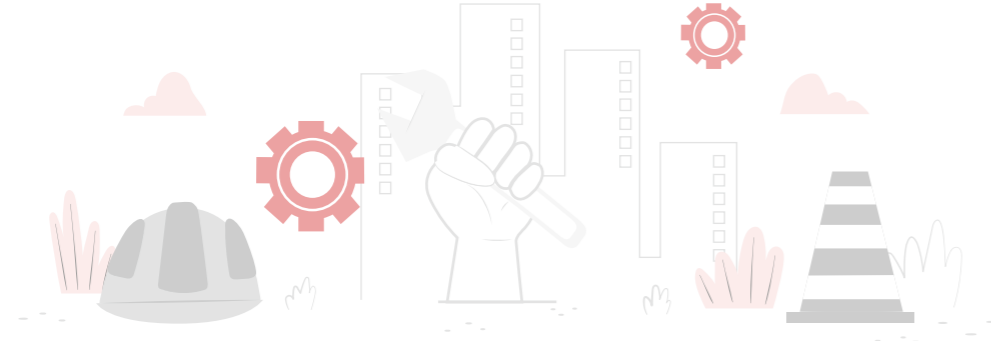


Smart Monitoring Platform



Contractor Management

The Company standardizes safety management for responsible parties, ensuring that the activities conducted by contractors and external construction units on company premises are safe, healthy, and environmentally compliant. Contractors are required to sign the Contractor Safety Agreement, ensuring all operations on company premises meet safety standards, reducing safety risks in collaborative projects, preventing accidents, and ensuring normal production and business operations.



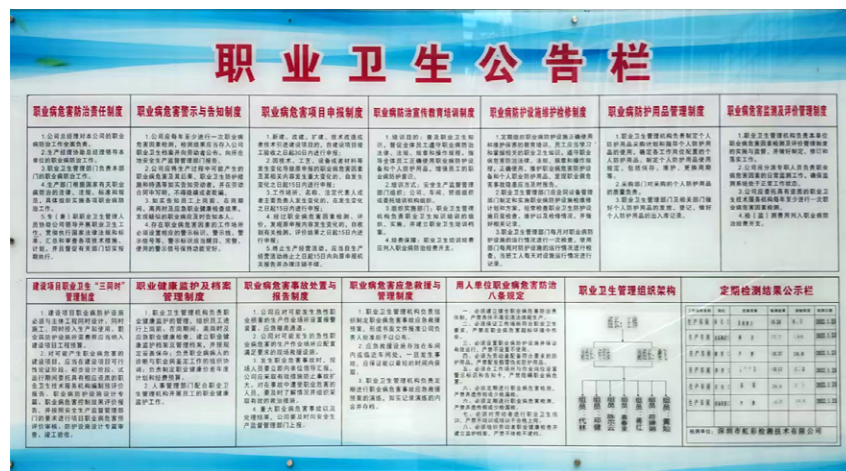
Occupational Disease Prevention Measures

Occupational Health Checkups

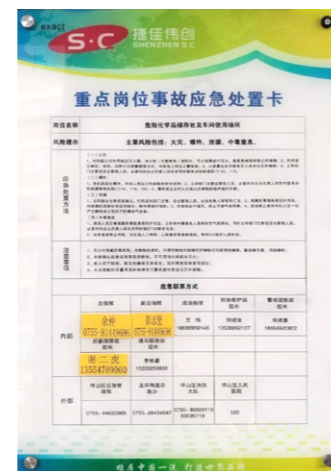
The Company regularly arranges occupational health check-ups for employees and establishes occupational health records for personnel exposed to occupational hazards, effectively safeguarding employee occupational health rights.

Prevention of Occupational Disease Hazards

The Company has formulated and actively implemented multiple occupational health management systems, regularly monitors occupational disease hazard factors, and posts occupational health notice boards and information cards in prominent locations. Employees exposed to occupational hazards are provided with protective equipment in accordance with the *Standard for the Distribution of Personal Protective Equipment*.



Occupational Health Notice Board



Occupational Health Information Card

Giving Back to Society Through Concrete Actions

Social Welfare

The Company actively fulfills its social responsibilities, viewing community service and giving back to society as an important mission. A volunteer service team has been organized to conduct traffic guidance during peak hours at traffic lights near the Company, assisting in maintaining traffic order, promoting civilized travel, and contributing to public safety and smooth traffic flow. The Company also maintains long-term support for local education, sponsoring school sports events, art festivals, and various student activities to enrich campus culture and promote well-rounded student development.

In 2025, the Company donated RMB 100,000 to the Hunan University Education Foundation to establish the "S.C Student Development Program" at the College of Mechanical and Vehicle Engineering, Hunan University, supporting activities including the development and recognition of outstanding class construction within the college.

In the future, the Company will continue to explore more diverse forms of public welfare, deeply integrating social responsibility practices into corporate culture, serving society, and creating value through concrete actions.



Rural Revitalization

The Company actively responded to the call from higher authorities to support farmers through agricultural consumption, carefully source high-quality agricultural products from designated support areas, and distribute them to employees, effectively conveying the organization's care and its commitment to supporting agriculture.



Key Performance Form

Corporate Governance

Issues	Metric	Unit	2024	2025
Operating performance indicators of the Company	Operating Revenue	RMB (in millions)	18,887.21	15,471.67
	Net profit Attributable to Shareholders of the Parent Company	RMB (in millions)	2,763.59	2,617.04
Corporate Governance	General Meeting of Shareholders			
	Number of General Meetings of Shareholders Held	Times	3	7
	Number of Extraordinary General Meeting of Shareholders Held	Times	2	6
	Number of Resolutions Approved	pcs	21	19
	Board of Directors			
	Number of Board Members	Persons	7	9
	Number of Male Directors	Persons	5	7
	Number of Female Directors	Persons	2	2
	Number of Independent Directors	Persons	3	3
	Number of Non-Independent Directors	Persons	4	6
	Number of Meetings of the Board of Directors Convened	Times	9	8
	Number of Resolutions Approved	pcs	51	46
	Remuneration policies			
	Remuneration of Directors and Officers (Including Current and Former)	RMB (10K)	843.26	794.59
	Investor Relations Management	Communication with Investors		

Issues	Metric	Unit	2024	2025
Investor Relations Management	Number of Interactions with Investors at irm.cninfo.com.cn	Times	182	200+
	Number of Investor Calls Received	Times	1,000+	1,000+
	Information Disclosure			
	Total Number of Public Disclosures	pcs	151	154
	Including: Number of Periodic Reports	pcs	4	4
	Including: Number of Ad Hoc Announcements	pcs	147	150
	Number of Penalties for Violations in Information Disclosure	Times	0	0
	Annual Cash Dividend Distribution			
	Cash Dividend per 10 Shares (Including Tax)	RMB	12	12(plan)
	Total Cash Dividend (Including Tax)	RMB (10K)	41,624.82	41,694.23(plan)
Proportion to Net Profit Attributable to Shareholders of the Listed Company in Consolidated Financial Statements	%	15.06	15.93	

Environmental Management

Issues	Metric	Unit	2024	2025
Environmental Management	Total Investment in Environmental Protection	RMB (10K)	/	2,311.80
	Environmental Protection Training Sessions	Times	/	2
Energy Management	Natural Gas	m ³	26,435.00	19,559.00
	Gasoline	L	29,200.08	52,092.50
	Diesel	L	207,003.74	103,923.58
	Total Purchased Electricity	10,000 kWh	4,426.77	3,836.84
	Direct Energy Consumption	tce	315.15	206.51
	Indirect Energy Consumption	tce	5,440.50	4,715.48
	Total Energy Consumption	tce	5,755.65	4,921.99
	Energy Consumption Intensity	tce / Million RMB in Revenue	0.30	0.32
	PV Generation	10,000 kWh	91.21	808.01
	Total Renewable Energy Consumption	tce	112.10	993.04
	Proportion of Renewable Energy Consumption	%	1.91	16.79

Issues	Metric	Unit	2024	2025
Response to Climate Change	Total GHG Emissions	tCO ₂ e	24,401.86	20,762.20
	GHG Emission Intensity	tCO ₂ e /Million RMB in Revenue	1.29	1.34
	Direct GHG Emissions (Scope 1)	tCO ₂ e	/	403.93
	Indirect GHG emissions (scope 2)	tCO ₂ e	/	20,358.27
Water Resource Utilization	Total Freshwater Withdrawal	10,000 tons	40.81	38.61
	Water Consumption Intensity	ton/Million RMB in Revenue	21.61	24.96

Industry value

Issues	Metric	Unit	2024	2025	
Research and innovation	Investment in R&D	RMB (10K)	64,878.48	60,742.05	
	Percentage of R&D Investment in Revenue	%	3.44	3.93	
	R&D Team				
	Total R&D Team Members	Persons	1,221	1,143	
	Proportion of R&D Personnel to Total Employees	%	30.40	29.48	
	By Educational Background				
	Associate Degree or Below	Persons	285	254	
	Bachelor's Degree	Persons	827	734	
	Above Bachelor's Degree	Persons	109	155	
	By Age				
	Under 30 (exclusive) Years Old	Persons	751	623	
	30 to 40 Years Old (Inclusive of 30, Exclusive of 40)	Persons	382	417	
	40 Years Old and Above (Inclusive of 40)	Persons	88	103	

Issues	Metric	Unit	2024	2025
Research and innovation	Innovation Achievements			
	Cumulative Number of Authorized Patents (Patents in Force)	pcs	799	1,038
	By Patent Type			
	Cumulative Number of Authorized Invention Patents	pcs	90	135
	Cumulative Number of Authorized Utility Model Patents	pcs	680	876
	Cumulative Number of Granted Design Patents	pcs	29	27
	Number of Valid Patents Per Million RMB in Revenue	pcs/Million RMB in Revenue	0.042	0.067
	Other Intellectual Property			
	Cumulative Number of Software Copyrights	pcs	134	145
	Total Number of Trademarks	pcs	31	31
	Number of Software Copyrights Per Million RMB in Revenue	pcs/Million RMB in Revenue	0.0074	0.0094
	Enterprise Innovation Capability Certification			
	National High-Tech Enterprise	pcs	4	5
	Provincial Enterprise Technology Center	pcs	1	1
	Postdoctoral Workstation	pcs	1	1
Product and Service Quality	Product Quality and Safety			
	Product Pass Rate	%	100	100
	Number of Annual Quality Internal Audits	Times	/	6
	Number of Third-party Inspections Conducted	Times	/	1

Issues	Metric	Unit	2024	2025
Product and Service Quality	Customer Service			
	Number of Customer Complaints	Times	/	0
	Number of Customer Complaints Resolved	Cases	/	0
	Number of Customers Participating in the Survey	pcs	/	74
	Customer Satisfaction	Points	/	95
	Customer Service Assessment			
	Number of Customer Complaint Response Assessments	Times	/	0
	Pass Rate of Customer Complaint Response Assessments	%	/	100
Supply Chain Management	Total Number of Suppliers	pcs	/	1,262
	Number of Domestic Suppliers	pcs	/	1,253
	Number of Overseas Suppliers	pcs	/	9
	Supplier ESG-related Performance			
	Number of Supplier Training Sessions	Times	/	12
	Number of Suppliers Trained	pcs	/	20
	Supplier Integrity Agreement Signing Rate	%	100	100

Human Resources

Issues	Metric	Unit	2024	2025
Labor Relations Management	Employee Recruitment and Employment			
	Percentage of Contract Workers	%	100	100
	Diversity and Equal Opportunity			
	Number of Labor Discrimination Incidents	Case	0	0
	Number of Incidents Involving the Use of Child Labor	persons	0	0
	Number of Incidents of Forced Labor or Harassment	Case	0	0
	Total Number of Employees	Persons	4,017	3,877
	Number of Employees (by Gender)			
	Female	Persons	639	644
	Male	Persons	3,378	3,233

Issues	Metric	Unit	2024	2025
Labor Relations Management	Number of Employees (by Function)			
	Production	Persons	1,438	1,414
	Sales	Persons	84	77
	Technology	Persons	1,221	1,143
	Finance	Persons	64	67
	Administration	Persons	216	221
	Engineering	Persons	994	955
	Number of Employees (by Age)			
	Under 30 (Exclusive) Years Old	Persons	/	1,458
	30 to 40 Years Old (Inclusive of 30, Exclusive of 40)	Persons	/	1,712
	40 to 50 Years Old (Inclusive of 40, Exclusive of 50)	Persons	/	596
	50 Years Old and Above	Persons	/	111
	Number of Employees (by Educational Background)			
	Bachelor's Degree or Above	Persons	187	231
	Bachelor's Degree	Persons	1,212	1,165
	College Degree	Persons	1,020	984
	Below College Degree	Persons	1,598	1,497
	New Employees			
	Number of New Employees	Persons	/	428
	New Employees (by Recruitment Channel)			
	Social Recruitment	Persons	/	292
	On-Campus Recruitment	Persons	/	136
	Protection of Female Employees' Rights and Interests			
	Number of Female in Management	Persons	/	59
	Proportion of Female in Management	%	/	16.43
	Benefits and Compensation			
	Social Insurance Coverage Rate	%	100	100
Percentage of Employees with Regular Performance and Career Development Assessments	%	100	100	
Employee Democratic Governance				
Number of Projects Approved by the Staff and Workers' Congress	pcs	24	22	
Number of Staff and Workers' Congress	Sessions	4	1	

Issues	Metric	Unit	2024	2025
Employee Satisfaction				
Labor Relations Management	Employee Satisfaction	%	/	80
	Number of Satisfaction Surveys Conducted	Times	/	3
Employee Training				
Development and Training	Occupational Health and Safety	Sessions	240	290
	Total Attendance	Person-times	7,300	8,800
Work Safety				
Occupational Health and Safety	Number of Work Safety Accidents	Case	0	0
	Potential Hazard Investigation and Rectification Rate	%	100	98.84
	Number of Security Emergency Drills	Sessions	30	23
	Safety Training			
	Number of Safety Training Sessions	Sessions	/	130
	Number of Participants in Safety Training	Person-times	/	8,552
	Total Training Hours	Hours	/	280
	Employee Coverage Rate in Safety Training	%	100	100

Indexes

Chapters and Sections	Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)	General Framework of the China Corporate Sustainable Development Report Guide (CASS-ESG 6.0)	Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial)	
About This Report	2-1,2-2,2-3	P1.1-1.2	/	
Message from Chairman	2-22	P2.1	/	
About S.C	2-6	P3.1-3.3	/	
Strengthening Foundations through Governance and Promoting Development through Standardization	Sustainable Development Governance	2-22,2-29,3-1,3-2	G1.1.1-1.1.7,G1.1.9,G1.2,G1.3	Articles 9, 19, 51, 53
	Scientific and Standardized Governance	2-9,2-10,2-12,2-19	/	Article 12
	Optimizing Internal Control and Compliance	207-1,207-2	/	Article 12
	Strengthening Investor Relations Management	3-3	/	Article 12
	Upholding of Business Ethics	205-3	G2.1.1-2.1.3,G2.2.1-2.2.3	Article 54, 55, 56
Advancing Green Manufacturing and Building a Low-Carbon Ecosystem Together	Response to Climate Change	305-1,305-2,305-4	E1.1.1,E1.1.2,E1.1.3,E1.1.4,E1.1.6,E1.1.7,E1.1.8	Articles 21, 22, 23, 24, 25
	Environmental Compliance Management	/	E2.4.2,E2.4.3	Article 29, 33
	Scientific Control of Pollution Emission	306-1,306-2	E2.1.1,E2.1.2,E2.1.4,E2.1.5,E2.1.6,E2.1.7	Article 30, 31
	Efficient Resource Utilization	302-1,302-2,302-3,302-1,302-1,303-4,303-5	E3.1.1,E3.1.3,E3.1.4,E3.1.5,E3.2.1,E3.2.2	Article 35, 36, 37
	Biodiversity and Ecosystem Protection	101-2	E2.3.3	Article 32
	Empowering with Technological Innovation	2-9,3-3	S2.1.1-S2.1.7,S2.1.9-S2.1.11,S2.1.13	Article 11, 42
Advancing Technology Synergy and Shaping the Industry's Future	Deepening Responsible Procurement	3-3,414-1	S3.1.1-S3.1.4	Articles 11, 45
	Delivering Excellent Products and Services	2-27,3-3,417-2	S3.3.1-S3.3.2	Articles 11, 47
	Enhancing Customer Experience	417-1,417-3	S3.3.4,S3.3.6	Article 47
	Properly Protecting Information Security	3-3,418-1	S3.4.1-S3.4.3	Article 48

Chapters and Sections		Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)	General Framework of the China Corporate Sustainable Development Report Guide (CASS-ESG 6.0)	Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial)
Growing Together to Build a Better Future	Protection of Employees' Rights and Interests	2-7,405-1,406-1,408-1,409-1	S4.1.1,S4.1.3-4.1.9,S4.1.11-S4.1.12	Articles 49, 50
	Employee Democratic Development	2-30	/	Articles 49, 50
	Enhancing Employee Growth	404-1,404-2	S4.3.1-S4.3.6	Articles 49, 50
	Occupational Health and Safety	403-1,403-2,403-3,403-5,403-6,403-7,403-10	S4.2.1-S4.2.6	Articles 11, 49, 50
	Giving Back to Society Through Concrete Actions	203-1,413-1	S1.1.1-1.1.3,S1.2.1-1.2.4	Articles 38, 40
Appendix	Key Performance Form	/	A2	/
	Index	/	A3	Article 57
	Feedback Form	/	A6	/

Feedback Form

Dear reader,

Thank you for reading this report. We highly value and look forward to hearing your feedback on this report. Your comments and suggestions are crucial for us to continuously improve our information disclosure, management and practices in connection with ESG. We welcome and sincerely appreciate your valuable comments!

1. Your overall assessment of our performance in ESG:

Very Good Good Average Below Average Poor

2. What is your overall evaluation of this report?

Very Good Good Average Below Average Poor

3. How do you evaluate our performance in communications with stakeholders?

Very Good Good Average Below Average Poor

4. How do you think we have fulfilled our product responsibilities?

Very Good Good Average Below Average Poor

5. How do you think we have performed in terms of environmental, safety, and occupational health?

Very Good Good Average Below Average Poor

6. How do you think we have fulfilled our employee responsibilities?

Very Good Good Average Below Average Poor

7. How do you think we have performed in terms of ESG?

Very Good Good Average Below Average Poor

8. Any comments or suggestions on our ESG performance and this report?

You can contact us at:

Address: No. 62 Jinniu East Road, Zhukeng Community, Longtian Street, Pingshan District, Shenzhen, Guangdong Province, China

Postal code: 518118

Tel.: 0755-81449633

Email: chinasc@chinasc.com.cn