



National SME Public Service Demonstration Platform
National Specialized and New “Little Giant” Enterprise

凌雄科技集團有限公司
LX Technology Group Limited

(Incorporated in the Cayman Islands
with limited liability)

Stock Code : 02436.HK

2024

**Environmental, Social and
Governance Report**

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Chairman's Statement

2024 marks the 20th anniversary of LX Technology's founding. These two decades have been a journey of bold innovation and fruitful achievements. Through exploration and development, we have consistently adhered to the principles of "digital innovation and circular development", upholding a long-term mindset. With persistent effort, focused research, and integrity-driven innovation, we have pioneered an effective and socially impactful path in the device lifecycle management (DLM) solution industry. We have successfully built a closed-loop service ecosystem, continuously enhancing our customer-centric one-stop service capabilities. In our business growth, we actively practice circular economy principles, contributing to societal value through carbon emission reduction. With the ongoing cultivation and development of new productive forces, our DLM service model has further demonstrated its competitive advantages and growth potential, driving the Group to achieve new breakthroughs in long-term, high-quality development.

In 2024, we have always maintained strategic resolve, adhering to the value of "customer-centric service". By focusing on fostering and developing new quality productivity, we have transformed the positive factors in economic and market operations into actual development achievements, ultimately achieving high-quality growth in performance. While promoting high-quality performance growth, we continuously deepened the integration of our corporate strategy with ESG principles. Committed to building a synergistic service ecosystem with small- and medium-sized enterprises, we diligently fulfilled our responsibilities and obligations as a corporate citizen to contribute to sustainable social development.

Fostering an Innovation Ecosystem and Developing New Productive Forces

Amidst the digital transformation, we remain committed to innovation-driven development, focusing on cultivating and advancing new productive forces to empower high-quality growth. We have established a one-stop digital closed-loop ecosystem that creates value for society on significant carbon emission reduction through continuous innovation and enriched IT DLM services, embodying circular economy and green development principles. By

delivering cost-effective, high-quality, and flexible DLM solutions, we empower our customers to achieve their digital transformation and high-quality development goals, thereby accelerating society-wide digital transformation progress. We recognized that superior service forms the foundation for sustainable corporate development while innovation serves as the core driver of continuous corporate advancement. Hence, we consistently enhance our core competitiveness and service quality and efficiency. Dedicated to serving every enterprise user with excellence, we foster a collaborative ecosystem that promotes the entire industry to higher levels.



Chairman of the Board of LX Technology Group Limited Hu Zuoxiong





Promoting the Construction of Industry Infrastructure Through Value Inheritance

As a pioneer in the DLM solutions industry, we proudly embrace our leadership responsibilities and mission by inheriting and perpetuating industry values. We actively participate in formulating and promoting various industry standards, generously sharing our successful experience accumulated over the years and profound insights into the development of the industry and proactively share our research results with the outside world. We represent the industry and speak confidently to the community, contributing significantly to the common progress and sustainable development of the entire industry.

Excellence in Governance and Compliant Operations

Sound and effective corporate governance serves as the cornerstone of our sustainable growth. We maintain an unwavering commitment to compliance, having established robust internal control and risk management systems that ensure both transparency and accountability amid rapid business expansion. By strictly adhering to various laws and regulations while proactively fulfilling our corporate social responsibilities, we continuously enhance governance practices to optimize operational efficiency and strengthen market competitiveness.

Ecological Focus and Green Development

While pursuing economic benefits, we steadfastly uphold our environmental responsibilities. We actively implement green office initiatives and green operations, adopting energy conservation, emission reduction, and resource recycling measures to minimize the impact on the environment. We have always been concerned about climate change and continuously establish and improve our climate-related risk and opportunity management system. Through proactive identification, assessment, and response to climate-related risk and opportunity, we embrace difficulties while capitalizing on emerging opportunities, to make meaningful contributions toward “dual carbon” goals (“carbon peak and carbon neutrality”). We firmly believe that green development is not only a corporate responsibility, but also an important manifestation of the future competitiveness of enterprises.

Collaborative Advancement and Talent Cultivation

An enterprise’ s sustainable growth is inseparable from exceptional talent. We consistently prioritize a people-centric approach, fostering employee growth and development and building a collaborative growth corporate community. By implementing comprehensive training systems and career development pathways, we provide a wide range of growth opportunities for our staff. We cultivate an open and inclusive work environment that encourages innovation and teamwork, unlocking our employees’ full potential and creativity. Through this culture of mutual empowerment and enhancement between the enterprise and its staff, we drive continuous progress of enterprises.





Social Commitment and Philanthropic Dedication

As a member of the community, we remain steadfast in our commitment to give back to society. We actively participate in all kinds of public welfare activities, and we care about the urgent needs of the community and fulfill our social responsibility with practical actions. The success of an enterprise is not only realized in economic benefits, but also in its impact and contribution to the society. We will continue to uphold this philosophy and work together with all sectors of society to create a better future.

Over the past two decades, our pioneering exploration and implementation in the DLM solutions industry have yielded remarkable achievements. As the industry leader, we have consistently fulfilled our mission by actively supporting China's "Two Renewals" ("Large-scale Equipment Renewal and Consumer Goods Trade-ins") (大規模設備更新和消費品以舊換新) policy, continuously cultivating and advancing new productive forces. "Two Renewals" policy have established the "LX Model" for effective policy implementation, making substantive contributions to the realization of China's "dual carbon" strategic goals.

Looking forward, we will continue to uphold our mission of "simplifying enterprise operations" and adhere to value of "customer-centric service". By deepening our digital-intelligent lean management approach, we will comprehensively enhance operational and service efficiency to deliver greater value to customers, with ambitious goals of "serving one million enterprises and providing user-friendly devices to ten million employees over the next decade". We remain committed to sustainable development by driving industry innovation and advancement, contributing to the realization of green low-carbon development and socio-economic prosperity. Together, let's move forward into brighter future for next 20 years!





Statement of the Board

The Group continues to implement the social responsibility concept of “digital innovation and circular development”, actively promote ESG management work, respond to stakeholders’ demands on environmental, social and governance aspects of the Company, and promote the philosophy of sustainable operation. The Group supports the digitalization of thousands of small and medium-sized enterprises, contributing to the achievement of the dual-carbon objectives of China, and demonstrating the social value of the Group.

To achieve sustainable development of the Company and to fulfill our obligations to the environment, society and all stakeholders, the Group has integrated environmental, social and governance issues into our overall corporate strategy and has always taken environmental and social benefits into account as important considerations in our daily operation. The Group has established a special group (“**ESG working group**”) dedicated to our environmental, social and governance work to comprehensively identify, determine and assess the risks and opportunities of the Group in environmental, social and governance aspects, and report to the Board of Directors (the “Board”). The Group strives to reduce energy consumption, water consumption, exhaust-gas and greenhouse-gas emissions and waste generation year by year through further strengthening management measures such as energy saving, consumption reduction and making full use of resources, and thereby ultimately achieve higher economic returns with the least possible consumption of resources.

The ESG working group established by the Group is led by the Board while relevant functional and business departments are responsible for the implementation of ESG affairs. The ESG working group is responsible for (1) identifying, determining and assessing the ESG risks and opportunities of the Group, including climate-related risks and opportunities as well as ESG issues that are critical to the Group's operations or stakeholders, and reporting to the Board; (2) formulating and establishing ESG policies and procedures to guide the implementation of relevant ESG plans; (3) reviewing the ESG policies and procedures of the Group to ensure their effectiveness and suitability for their purposes; (4) monitoring the implementation of the Group's ESG strategies and plans, setting relevant targets to evaluate the implementation of ESG projects, and developing continuous improvement plans for ESG performance; (5) measuring and evaluating the Group's environmental performance against the ESG targets and reporting to the Board, and making recommendations on necessary actions to improve the performance; (6) ensuring that sufficient ESG-related training is provided to relevant employees; (7) overseeing the stakeholder engagement and materiality assessment procedures to ensure effective communication with stakeholders while maintaining the Group's reputation. Meanwhile, the Group attaches great importance to the management of climate-related risks and opportunities, and the Board and its ESG working group are clearly responsible for overseeing the relevant matters and have established corresponding procedures to ensure the effective fulfillment of their functions.

The Group considers that maintaining close relationships with our stakeholders is critical to our business operations and sustainable development. The Group’s stakeholders include investors/ shareholders, customers and potential customers, suppliers and partners, employees, government and regulatory authorities, the community and the public. Stakeholders, including customers and shareholders, were surveyed in the form of a questionnaire and the survey showed that stakeholders are most concerned about factors such as product quality, followed by business ethics, economic benefits, employees’ remuneration and benefits, compliance operation, climate change and environmental friendliness. The Company always considers stakeholders’ views as an important factor for sustainable development and incorporates their opinions into our long-term development plan.





About LX Technology

Overview of LX Technology

LX Technology Group Limited (“**LX Technology**”), owner of the brand Bear U-Rental and established in 2004 in Shenzhen, principally engages in, among others, the sales of refurbished de-commissioned IT devices to resellers of IT devices, and the provision of device and IT technical subscription services to small-and medium-enterprises (“**SMEs**”) in the People’s Republic of China (“**China**”) as a Device Lifecycle Management (“**DLM**”) solution provider. LX Technology’s service covers the management needs of SMEs across the lifecycle from device procurement, device maintenance, device management to device de-commissioning and recycling, and helping enterprises in cost reduction and efficiency improvement, and transformation to asset-light operation.

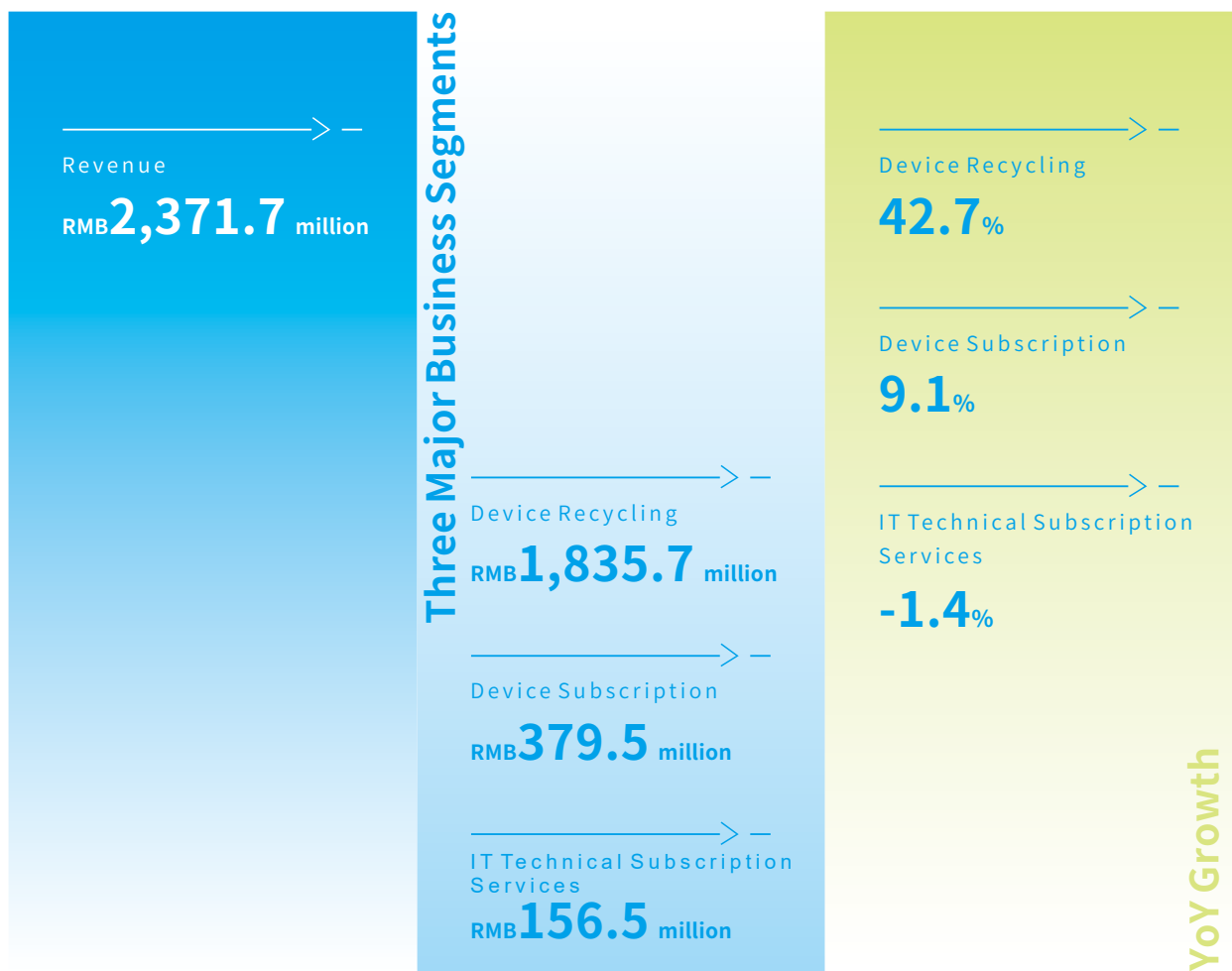
Over the past 20 years, LX Technology has been driven by the mission of “simplifying enterprise operations”, with a steadfast commitment to the core values of “customer-centric service, close and trustworthy collaboration, courage and responsibility, and persistent long-term effort”. LX Technology strives to empower enterprises to achieve excellence by providing innovative and comprehensive DLM solutions. Leveraging industry-leading service capabilities and outstanding contributions, LX Technology has been awarded the National SME Public Service Demonstration Platform (國家中小企業公共服務示範平台), and National Specialized and New “Little Giant” Enterprise (國家級專精特新「小巨人」企業) issued by the Ministry of Industry and Information Technology of the State Council, making us the only enterprise in the industry to hold “dual certification” which fully demonstrates its leading position in the industry.

Under the backdrop of developing new productive forces and jointly promoting high-quality development, digital transformation and high-level resource allocation have become a consensus for corporate growth. The importance of LX Technology’s closed-loop DLM services has become more evident. LX Technology has developed an innovative full-stack service model, assisting small and medium-sized enterprises in rapidly building IT infrastructure, thereby lowering the barriers to digital transformation and continuously achieving high-quality development. Simultaneously, LX Technology has realized both quantitative growth and qualitative improvement, contributing positively to the high-quality development of China’s economy.





During the reporting period, the Group's revenue for the year was RMB2,371.7 million, representing an increase of 32.3% compared with the corresponding period of last year. The three major business segments continued to maintain a high-quality development trend overall. The revenue from device recycling business, device subscription services and IT technical subscription services was RMB1,835.7 million, RMB379.5 million and RMB156.5 million, respectively, representing increases of 42.7%, 9.1% and -1.4% compared with the corresponding period of last year, respectively.





Corporate Culture

The Group firmly believes that culture is the core driving force behind corporate development. Through the power of culture, we foster a positive and upward corporate atmosphere, strengthen team cohesion and a pioneering spirit, thereby delivering consistently high-quality services to our customers and creating enduring public value for community. Over the 20 years since our inception, we have been driven by the mission of “simplifying enterprise operations”, with a steadfast commitment to the core values of “customer-centric service, close and trustworthy collaboration, courage and responsibility, and persistent long-term effort”. Our goal is to establish ourselves as a leading DLM solution provider in China. In our service to corporate customers, we always adhere to the service tenet of “providing low-cost, high-quality, and highly flexible DLM solutions to enterprises”. We are committed to our service goal of “serving one million enterprises and providing user-friendly devices to ten million employees over the next decade”, continuing to drive industry progress and social development.



Mission

Simplifying enterprise operations



Vision

Becoming a leading DLM solution provider in China



Values

Customer-centric service
Close and trustworthy collaboration
Courage and responsibility
Persistent long-term effort



Service Tenet

Providing low-cost, high-quality, and highly flexible DLM solutions to enterprises



Service Goal

Serving one million enterprises and providing user-friendly devices to ten million employees over the next decade





Social Recognition

The Group has been focusing on the DLM solution industry and has accumulated 20 years of service experience and has become a leader in the industry. While continuously driving development of business innovation, we have always placed environmental and social responsibility at the core of our operations, actively implementing sustainable development principles to cultivate an outstanding corporate image. Leveraging our industry-leading digital transformation achievements and exceptional service capabilities, the Group has been certified as the National SME Public Service Demonstration Platform (國家中小企業公共服務示範平台) by the Ministry of Industry and Information Technology of the State Council and was recertified in 2024 as National Specialized and New “Little Giant” Enterprise (國家級專精特新「小巨人」企業). As of the end of the reporting period, the Group was the only enterprise in the DLM solution industry in the PRC to have obtained the “dual certification”. In addition, the Group has also been awarded, among others, the certificates of National High-tech Enterprise, recognized by the Ministry of Commerce as the Second-Batch National Standardization Pilot Enterprise for Service Industries (specialized in commercial circulation), recognized by the Investment Promotion Bureau of Shenzhen Municipality as the Shenzhen Multinational Headquarters Enterprise, and by Futian District Development and Reform Bureau as Futian District Headquarters Enterprise. These major honors fully reflect our industry benchmark status and comprehensive capabilities.



National SME Public Service Demonstration Platform



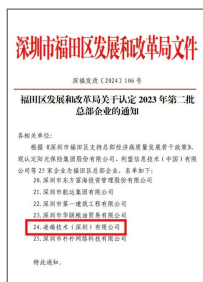
National Specialized and New “Little Giant” Enterprise



“National High-tech Enterprise” Certificate



Shenzhen Multinational Headquarters Enterprise



Futian District Headquarters Enterprise



2024 Top 500 Enterprises in Shenzhen



Famous Brand in Shenzhen



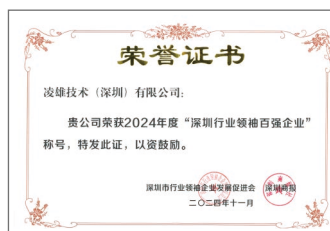
Famous Brands in the Bay Area



Futian District 2024 “Fixed-Asset Investment Star” Award



2024 Elite High-Tech Products in Guangdong Province



2024 “Shenzhen Top 100 Industry Leaders”





Furthermore, with our headquarters in Shenzhen serving nationwide and expanding globally, we have earned numerous honors from regional governments, industry associations, and media for our outstanding scale, operational efficiency, social contributions, innovation capabilities, and digital leadership. These honors further reinforce our corporate image as a technology-driven, service-excellent, and socially responsible industry leader. Details are as follows:

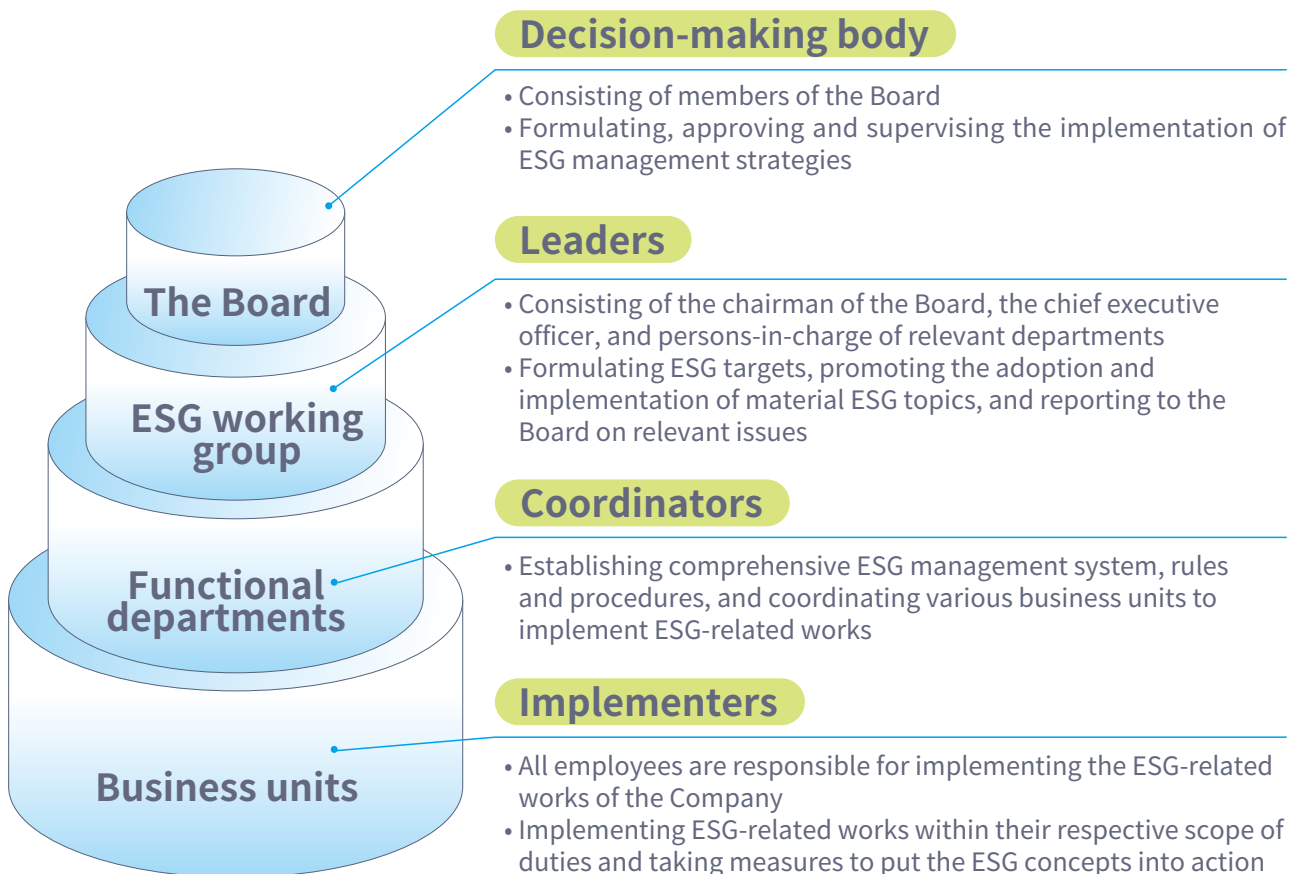




ESG Management System

ESG Governance Structure and System

The Group has established an ESG governance system which is overseen by the Board and managed by the ESG working group with the coordination of all functional departments and participation of all employees. During the reporting period, to establish more sustainable businesses and bring broader benefits to the society, the Group continuously reviewed the progress of environmental, social and governance issues of the Group according to our purposes and goals.





Communications with Stakeholders

Based on its industry characteristics and business operations, the Group identifies and determines our six major stakeholders, namely the investors/shareholders, customers and potential customers, suppliers and partners, employees, government and regulatory authorities, and communities and the public. The Group actively communicates with the stakeholders in various stages of daily operations, fully listens to their opinions and feedback, and continuously improves the diversified, stable and effective communication channels and feedback mechanisms between the Group and various stakeholders, constantly enhancing risk identification capabilities and strengthening important relationships. The Group communicates with its stakeholders through the following channels.

Key Stakeholders	Material Topics	Communication and Response
Investors/ shareholders	<ul style="list-style-type: none"> The necessity of corporate governance for sustainable operation Stable economic benefits Continuous business vitality Good market reputation and performance 	<ul style="list-style-type: none"> Shareholders' meeting Investors' conference Information disclosure Risk prevention and compliance operation management
Customers and potential customers	<ul style="list-style-type: none"> Product and service quality Service efficiency and effectiveness Integrity and responsibility Information security and privacy protection 	<ul style="list-style-type: none"> Customer satisfaction surveys Online consultation, complaint, and follow-up Field visits by sales representatives Evidence of compliance with confidential disposal regulations
Suppliers and partners	<ul style="list-style-type: none"> Supply chain management Compliance operations Business ethics 	<ul style="list-style-type: none"> Strict control of admission standards and dynamic evaluation Bidding and tendering activities Industry cooperation and communication
Employees	<ul style="list-style-type: none"> Basic rights Compensation and benefits Career development Health and safety Diversity, equality and inclusion 	<ul style="list-style-type: none"> Employee satisfaction survey Customized promotion channels and salary adjustment policies Regular performance evaluations and skill enhancement Internal complaint and reporting channels Face-to-face communication with superiors or management
Government and regulatory authorities	<ul style="list-style-type: none"> Compliance operation Tax performance Risk management Environmentally friendly practices 	<ul style="list-style-type: none"> Transparency of business operating information Risk management system development Regular recognition of national qualifications Research and dialogue
Community and public	<ul style="list-style-type: none"> Community welfare Rural revitalization Credit building 	<ul style="list-style-type: none"> Public welfare enterprise services Digital rural construction Carrying out credit system building activities





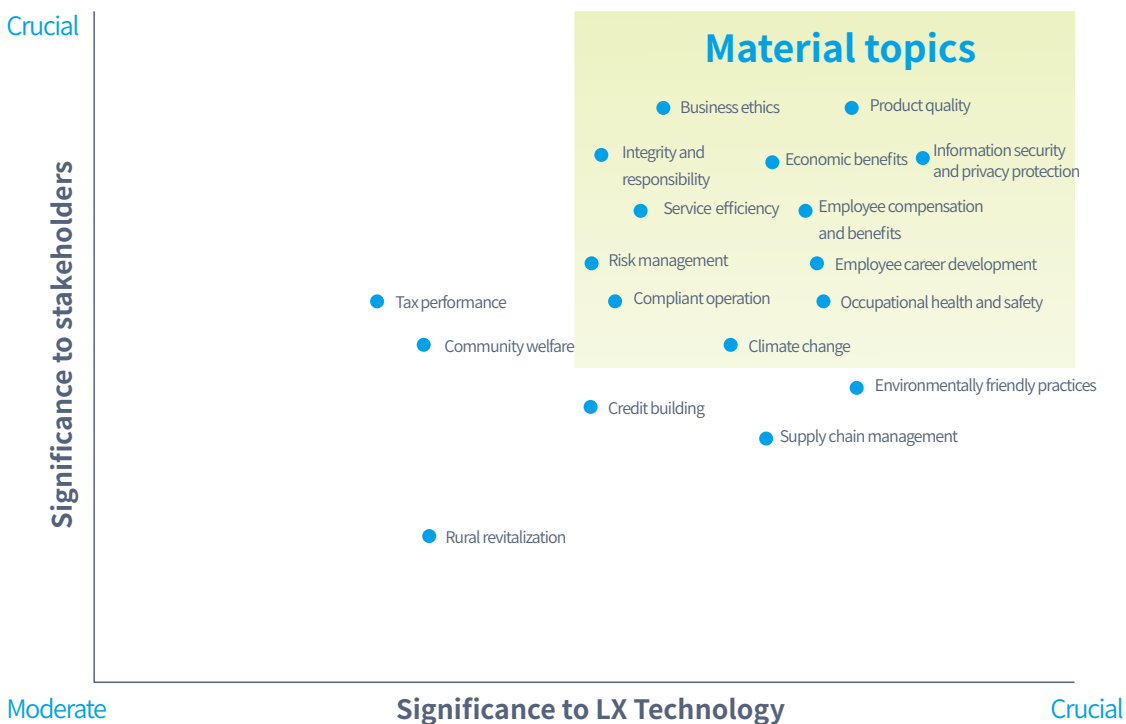
Identification and Analysis of Material Topics

The Group places great importance on identifying and managing ESG topics. During the reporting period, the Company reviewed potential ESG topics based on the latest social and economic changes, and identified them based on the extent of influence of the Company on its stakeholders. Considering the needs and expectations of various stakeholders, the Company evaluated the effectiveness of its ESG work, confirmed and revised the priority order on the materiality matrix.

Step 1: Identification. The Company collected ESG-related topics, screened a series of ESG topics closely related to the Company's business based on their importance to the industry in which the Group operates, and the opinions of various departments within the Company.

Step 2: Assessment. The Company collected key opinions from various stakeholders on each topic, understood the impact of each topic on stakeholders themselves, as well as its importance to the sustainable development of the Group. By reference to the identification of substantial topics by peers and the Group's management status, the relevance and importance of each topic were evaluated.

Step 3: Confirmation. Based on the results of the stakeholder survey and industry analysis, the Company identified substantial ESG topics, which were confirmed by the ESG management team of the Group to ensure that the evaluation results were consistent with the Company's business characteristics and development status.





Topic 1: Fostering an Innovation Ecosystem and Developing New productive forces

Practicing Circular Economy Principles, Leading Green Development

When presiding over the eleventh collective study of the Political Bureau of the CPC Central Committee, General Secretary Xi Jinping pointed out that “Green development is the foundational tone of high-quality development, while new productive forces inherently embody green productivity”. This important assertion profoundly clarifies the intrinsic relationship between new productive forces and green development, which mean new productive forces represent an advanced form of productivity aligned with the new development philosophy, while adhering to green development, breaking away from traditional extensive production and consumption models to achieve a circular economy. It constitutes both the inherent purpose and essential requirement for developing new productive forces. The business model that conforms to the concept of circular economy and fully realizes the value of efficient use of resources and recycling will make undeniable contributions to the development of our country’s new productive forces in the development of its own business.

As the pioneer and market leader in enterprise DLM areas across China, the Group has innovatively established a comprehensive DLM business model covering device recycling business, device subscription services and IT technical subscription services under the guidance of the concept of circular economy. This model provides one-stop solution from device acquisition to green disposal for SMEs, forming a complete business closed loop. This customer-centric model is dedicated to addressing customers’ diversified needs throughout the device lifecycle, helping them maximize value while building a customer-focused virtuous ecosystem. Based on optimizing customers’ device resource allocation, the Group also provides green disposal and refurbishment businesses by extending device lifecycle through renewal processes before reintroducing them to sales or subscription services, thereby significantly improving device utilization rates and reducing resource waste. The closed-loop ecology created by the Group fully satisfies the requirements of the value of circular economy, effectively reduces the waste of resources and enhances the utilization rate of resources. For the full year 2024, the number of device refurbished by the Group amounted to approximately 1.41 million units.

Compared to the traditional way of one-time procurement, the Group's DLM business model has demonstrated its ability to effectively reduce the average annual carbon emissions per unit of device. At the same time, by refurbishing the recycled device, we effectively extend the lifecycle of the device and reduce the need for new device during operation, thereby further reducing the overall level of carbon emissions in society. This model not only demonstrates our commitment to the efficient use of resources, but also makes a positive contribution to the promotion of a low-carbon economy and sustainable development goals.

Carbon footprint of new devices = carbon emissions from device production + carbon emissions during transportation

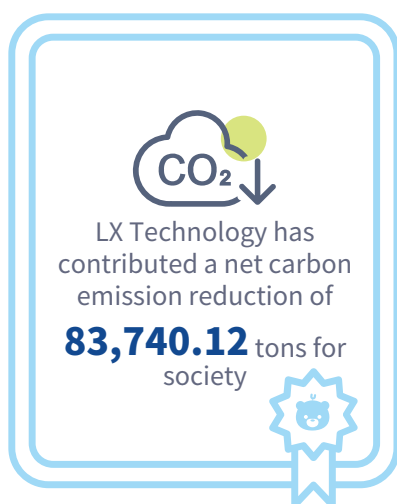


Average carbon emission from refurbished devices = annual average carbon emissions from new devices — (annual average carbon emissions from refurbished devices + carbon emissions during refurbishment processes of devices)

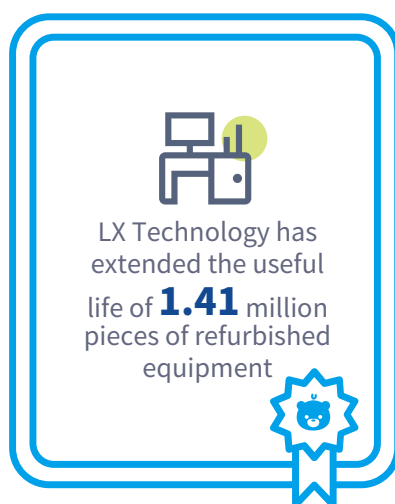




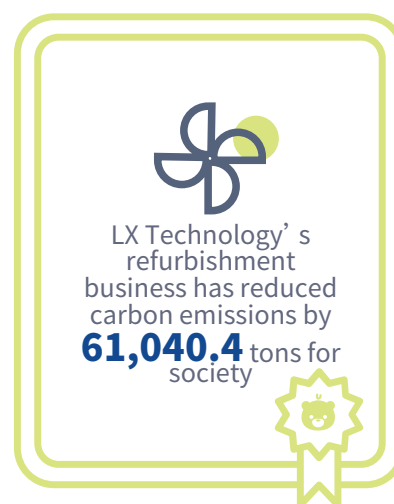
The Group contributes to a net carbon emission reduction¹ of 83,740.12 tons for society during the reporting period. In particular, the carbon emission reduction contributed by the Company's device refurbishment business amounted to 61,040.4 tons, while the actual carbon emission generated by the Company's daily operations was 1,458.87 tons.



Calculated based on the carbon emission reduction created by the Company's refurbishment business and IT technical subscription services business during the reporting period minus the actual carbon emissions generated by the Company's daily operations



Only data from the reporting period is included



Only data from the reporting period is included

Category of major devices	Carbon emission reduction per unit over the lifecycle ² (kg)	Number of refurbished devices in 2024 (set)	Total carbon emission reduction in 2024 (ton)
Laptop computers	257	354,754	14,429.4
Desktop computers	479	207,931	15,758.3
Mobile phones and tablet computers	106	212,142	3,573.2
All-in-one computers	505	49,571	3,960.3
Servers	1,477	70,276	9,226.5
Printers and photocopiers	1,400	13,705	1,705.5
Others ³	276	505,542	12,387.3
Total		1,413,921	61,040.4

¹ During the reporting period, the measurement scope for carbon emission reduction of the refurbishment business was expanded, incorporating the related carbon emission reduction of the equipment subscription business and IT technical subscription services business

² Carbon emission reduction per unit over the lifecycle = (Annual average carbon emission per unit of new device — annual average carbon emission per unit of refurbished device) × average useful life of refurbished device

³ Others mainly include switches and routers, etc.





The Group's DLM businesses has been widely recognized by the community as it creates significant carbon emission reduction value for society, promotes the conservation of device resources across the community, and facilitates the development of new productive forces. As green development and circular economy principles become increasingly embedded in economic society, the Group's pioneering closed-loop ecosystem model for DLM continues to gain attention, recognition and high appreciation from all walks of life in the society, which will further contribute to the sustained and high-quality development of economy in the PRC.

• ESG contribution widely recognized by society



Ram Charan Management Practice Award —
Innovation & Entrepreneurship Practice Award



The Second Top 10 "Figures with
Golden Reputation" in Shenzhen



2024 ESG Innovation
Leader Enterprise



2024 ESG Innovation
Leader Enterprise



Corporate Social Responsibility(S)
Pioneer Award



Most Socially Responsible
Listed Company Award



Annual Social
Responsibility Award



Most Valuable Social
Service Company Award





Case 1: Participation in US-China circular economy cooperation forum — Sharing value creation through IT device recycling



On September 6, 2024, US-China circular economy cooperation forum was held in Beijing. Cao Weijun, executive director of the Board of LX Technology, was invited to attend and served as the keynote speaker at the closed-door thematic session of the forum, sharing the proactive explorations and practical achievements in enhancing the value of IT device recycling of LX Technology.



Case 2: Participation in the ESG & high-quality development innovation forum



On May 23, 2024, the “ESG & high-quality development innovation forum”, hosted by Guangdong Times Media Group, was successfully held in Beijing. Hu Zuoxiong, the Chairman of the Board of LX Technology, was invited to attend and deliver a keynote speech. In an exclusive interview with Times Business School, Hu Zuoxiong emphasized the Company’s deep commitment to ESG work, noting that while pursuing high-quality performance growth, LX Technology continues to integrate corporate strategy with ESG, striving to build a service ecosystem that fosters mutual prosperity with SMEs and creates enduring sustainable value for society.





Case 3: Invitation to the 3rd environment day salon



On June 5, 2024, the 3rd environment day salon, hosted by National Business Daily, was held as scheduled. This year's salon, themed "The Responsibility of Supply Chain Leaders: Shaping a Sustainable Future", explored the necessity and urgency of ESG-driven supply chain management amid globalization, aiming to inspire broader corporate action. Hu Zuoxiong, the Chairman of the Board of LX Technology, was invited to participate and emphasized that green development is both one of the core tenets of corporate growth and an intrinsic requirement of implementing ESG development principles. For years, the Group has consistently focused on green, low-carbon and sustainable development in its business operations. Through the synergy between the businesses, the lifecycle of the device has been extended, the utilization rate has been significantly increased, and the value of additional carbon emission reduction has been created for the society.

第三届环境日沙龙

WORLD ENVIRONMENT DAY SALON

共塑可持续未来

推动行业标准化/成熟化发展

2023年3月，参与编制的国家标准《企业信用评级指南》、《企业信用评级报告编制指南》先后发布和实施；

2023年5月，成立首个前瞻性行业研究智库“凌雄研究院”，并先后发布重磅行业研究报告，为外界全面系统了解DaaS行业即中国设备全生命周期管理解决方案行业提供了核心通道；

2023年5月，联合多个知名品牌打造行业首个租赁节，深入剖析绿色经济下DaaS方案价值的发掘和应用；

2023年12月，我们联合赛迪研究院、中国中小企业协会发布国内首份《企业办公电脑租赁标准化发展报告》，对DaaS行业的规范健康发展具有重要指导作用。



胡祚雄

小熊U租母公司
凌雄科技董事会主席

每日经济新闻
ESG行动派





Empowering Digital Transformation to Advance High-Quality Development

New productive forces are driven by cutting-edge technological advancements, with digitalization, networking, and intelligent forming their foundational technological infrastructure. Digital transformation is critical for current business development. However, the Group aligned with the CPC Central Committee and State Council's strategic deployment on “developing new productive forces to advance high-quality development”. Starting from its own business and focusing on the pain points of digital transformation and high-quality development needs of SMEs, the Group has innovatively launched and continuously enriched its DLM service model. Centered on the infrastructure of digital transformation, namely IT device, the Group provide enterprises with a full-stack of services, including device recycling business, the device subscription business and IT technical subscription service, which comprehensively solve the difficulties and pain points in DLM faced by enterprises in China and empowering them to realize digital transformation and high-quality development conveniently and efficiently.

Specifically, the model provides a systematic solution to the pain points of enterprises in IT device procurement, operation and maintenance, management and disposal, including the capital pressure of one-off device procurement, slow response in technical support, insufficient flexibility in device management, and low utilization. Through this model, enterprises can significantly lower the threshold of digital transformation, thereby effectively reducing operation costs and enhancing business operation efficiency, and injecting strong momentum into their sustainable high-quality development.

In addition, the Group's “rent and return” model gives customers a high degree of flexibility in device deployment, allowing them to dynamically adjust the number of device subscriptions according to actual business needs, realizing flexible management of device resources while effectively alleviating cash flow pressure. According to the actual operational experience of the Group, compared with the traditional procurement model, the Group's services can help enterprise customers save up to 97.4% of the initial investment and approximately 30% of the total cost over a three-year cycle. At the same time, customers do not need to bear the cost of device decommissioning and disposal and maintenance, and can continue to use device that meets their business needs by simply renewing the device when the it expires, further optimizing the efficiency of resource utilization and reducing the burden of operation.





Since its establishment 20 years ago, the Group has consistently empowered enterprises, especially SMEs, by providing high-quality DLM services, supporting their digital transformation. With the introduction of new productive forces further driving high-quality development across various industries, digital transformation has become a consensus for enterprise growth and progress. Against this backdrop, the DLM service model we have developed will fully demonstrate its strategic national value, social value, and economic value, positioning us as one of the pioneers in the new chapter of new productive forces development.





Case 1: Participated in the main forum of China SME investment and financing fair



On the morning of June 5, 2024, the 11th China SME investment and financing fair and the 2024 “Small Enterprises, Big Dreams” summit forum opened in Beijing. The event was themed “Strengthening Financial Support for the Private Economy and Accelerating the Development of New Productive Forces”. Hu Zuoxiong, the Chairman of the Board of LX Technology, was invited to attend and deliver a keynote speech. Hu Zuoxiong pointed out that with the growing demand for cost reduction, efficiency improvement, and digital transformation among enterprises, DLM solutions services are increasingly becoming an essential necessity for the daily operations of SMEs.





Case 2: Invited to participate in “Insights 2024” listed companies’ seminar

On June 7, 2024, the “Insights 2024” listed companies’ seminar, with the theme of “Envisioning the Future, Advancing with New Productive Forces”, was grandly held in Suzhou under the guidance of the Financial Committee Office of the Suzhou Municipal Committee of the CPC, and co-sponsored by Suzhou Listed Company Association and the Daily Economic News. The head of Shanghai branch of LX Technology was invited to participate in the roundtable discussion titled “Envisioning the Future, Advancing with New Productive Forces: Growth Chapter” and delivered a keynote speech. The representative stated that in recent years, driven by multiple favorable factors, including continuous national policy support, enterprises’ growing demand for cost reduction, efficiency improvement, and digital transformation, DLM solutions service for cost reduction and efficiency improvement have become an essential operational need for an increasing number of SMEs. Moving forward, LX Technology will continue to lead by example in the industry, adhering to independent and original innovation, accelerating the development of new productive forces, and striving for higher-quality development. Simultaneously, LX Technology will support SMEs by providing high-quality devices and digital DLM solutions.



Case 3: Invited to deliver keynote speech at 2024 Corporate ESG Trends Forum

On June 28, 2024, Hu Zuoxiong, the Chairman of the Board of LX Technology, attended by invitation and delivered a keynote speech at the 2024 GuruClub Corporate ESG Trends Forum. Hu Zuoxiong stated that enterprises should strengthen the top-level design of ESG. In today’s ever-changing business environment, we can only strengthen our ESG top-level design by establishing a sound management system and an effective risk control mechanism. ESG itself is highly consistent with the new development concept, high-quality growth and the “dual-carbon” strategic goal advocated by our country. For two decades, LX Technology has fundamentally transformed from a conventional device leasing provider into a digitally empowered enterprise by deeply embedding ESG principles across its operations. In the future, the Group will seize the opportunities of the times, adhere to the concepts of innovation, cooperation and sustainable development, and help more enterprises achieve asset-light and high-quality development with its digitalized closed-loop DLM solution services.





Strengthening Technical Capabilities, Building a Foundation for Premium Services

In addition to promoting the digital transformation of enterprises, the Group has also deepened its own digital construction over the long term. Through the in-depth integration of digital technology with business development and internal operation management, the Group has constructed a set of information management platforms covering the entire process of procurement, supply chain logistics, product optimization, device management, sales channel management, customer risk control and credit, customer information security and financial management. We have been focusing on promoting the digitalization and intelligent upgrading of operation management for a long time, aiming to comprehensively enhance the operational efficiency of business and the effectiveness of customer services.

To enhance the efficiency of business operations and improve the quality of services, the Group has independently developed a digital supply chain management system, which realizes the digital management of the entire process from IT device selection, procurement, delivery to warehousing, and enables real-time tracking of the original value of the device, depreciation and estimation of the residual value to ensure the efficient allocation and utilization of resources. In addition, through the self-developed digital warehousing system, we can accurately formulate marketing strategies, assist corporate customers in selecting suitable device, and dynamically match the inventory level with real-time demand from customers to further optimize the allocation of resources and operational efficiency. In December 2024, the Group's self-developed "Enterprise IT Asset Management System Based on SaaS Platform" was selected as one of the 2024 Guangdong High-Quality High-Tech Products List, and its technological innovation strength was recognized by the society.

In addition, as an industry-leading technology company, the Group has been actively developing new technologies such as AI, big data and blockchain to empower the efficiency of the products and services we provide. All the Group's core business systems have completed software copyright registration and obtained legitimate software copyright registration certificates. As of the end of 2024, the Group has obtained 70 software copyright registration certificates. In addition, in 2024, the Group applied for and obtained 8 invention patents issued by the State Intellectual Property Office, including "An Artificial Intelligence-based System and Method for Monitoring Device Rental Order Data" (一種基於人工智能的設備租賃訂單數據監管系統及方法), "An Intelligent Warehouse Data Identification Control System and Method Based on Data Analysis" (一種基於數據分析的倉儲數據智能識別管控系統及方法), "A Blockchain-based SaaS System for Device Management" (一種基於區塊鏈的設備管理SaaS系統) and "An intelligent Device Lifecycle Management System" (一種智能化設備生命周期管理系統), and 2 appearance patents, including "Display Screen Panel with Graphical User Interface for Product Leasing" (帶商品租賃圖形用戶界面的顯示屏幕面板) and "Display Screen Panel with Graphical User Interface for Fixed Asset Management" (帶固定資產管家圖形用戶界面的顯示屏幕面板). The acquisition of the above software copyright registration certificates and patents fully demonstrates the Group's technological philosophy and technical strength of integrity, innovation and continuous improvement, and will empower our business operations with high quality and efficiency in the long run and provide our customers with more quality and reliable services.





Invention Patents Obtained by LX Technology in 2024

Additionally, the Group has successfully implemented an automated AI customer service system that operates 24/7, enabling instant responses anytime, anywhere and allowing customers to receive support faster. The AI customer service system can generate extensive analytical data on customer needs, trends and feedback, assisting the Group to continuously track customers' needs and optimize service effectiveness, significantly improving service efficiency while effectively reducing service costs.

To continuously enhance customer service efficiency and quality, the Group has been optimizing its risk control and credit systems. By collecting comprehensive lifecycle data and full-process service data during operations, the Group employs multi-dimensional factors to conduct automated risk evaluations, thereby providing low subscription deposits or deposit-free for customers. In addition, the Group has continued to gain an in-depth understanding of the operating conditions of its customers through on-site visits by staff and regular return visits to help the Group conduct risk assessments. This series of measures not only significantly enhanced customer experience, but also effectively reduced the business risks of the Group.

In terms of information security, the Group has strictly adhered to relevant laws and regulations such as the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》). By integrating our independently developed risk management information system, the Group has established a comprehensive information security protection system. We continuously improve our information confidentiality mechanisms to ensure the security and privacy of customer data, thereby providing more reliable service guarantees to our customers.





Case 1: Invited to participate in “2024 Exchange Conference in Technology Innovation Leaders” for roundtable discussion

On July 5, 2024, the “2024 Exchange Conference in Technology Innovation Leaders”, hosted by Securities Daily, was held in Beijing. Cao Weijun, the Executive Director of LX Technology (parent company of Bear U-Rental), attended the event and participated in a roundtable discussion themed “How Capital Markets and Technological Innovation Can Mutually Empower Each Other”. During the discussion, he highlighted the key factors for synergy between capital markets and technological innovation, as well as how LX Technology has built its core competitiveness through technological advancements. He stated that through technological innovation, LX Technology has developed digital operation and management capabilities enabling comprehensive DLM. This continuously enhances operational efficiency while acutely addressing customer needs, gradually emerging as one of the Company’s core competitive advantages. With the rapid development of the AI industry, LX Technology will proactively integrate AI technologies into its IT device services to enhance customer service efficiency and embrace cutting-edge technologies to meet diversified needs of customers.



Case 2: Invited to participate in “2024 Digital Economy Leaders’ Exchange Conference” for roundtable discussion

On September 27, 2024, the 2024 Digital Economy Leaders’ Exchange Conference was held in Beijing under the guidance of China Association for Public Companies and organized by Securities Daily. At the forum, Cao Weijun, Executive Director of LX Technology, shared the practical experience of LX Technology in driving digital-physical integration while addressing key challenges enterprises face during this transformative process. LX Technology has leveraged digital transformation as a strategic driver to comprehensively enhance IT operational service efficiency and elevate enterprises’ precision management capabilities. On the one hand, digital-physical integration helps LX Technology improve its risk management and control capabilities by analyzing the operation of individual enterprise customers through their stage-by-stage demand for LX Technology’s DLM solution services. On the other hand, digital-physical integration facilitated LX Technology to open new sources of income and cut down on expenses, improve its device asset management capabilities, and alleviate the pressure of device management. At the same time, LX Technology also combined big data technology to further accelerate customer acquisition process.





Case 3: Tsinghua Redbud Union Visited Shenzhen headquarters of LX Technology for study and exchange



On October 22, 2024, the Shenzhen Tsinghua University Alumni Association · Redbud Union (“Tsinghua Redbud Union”) came to headquarters of LX Technology in Shenzhen for study and exchange, and the Chairman of the Board of LX Technology, Hu Zuoxiong, had a discussion with the visitors. At the seminar, Hu Zuoxiong shared his historical insights and practical experience on the topic of “Deep Vertical Integration and Model Evolution of Bear U-Rental” and how Bear U-Rental has innovated its enterprise service model amidst evolving business environments by embracing digital transformation and leveraging capital markets, successfully transitioning from a traditional IT office device leasing provider to a digital-powered, enterprise-grade DLM solutions provider.

In this regard, the relevant person in charge of Tsinghua Redbud Union stated that digitalization and refined management are the important measures for enterprises to achieve scientific management and high-quality development, and it is also an essential path for enterprises to reduce costs and increase efficiency. LX Technology, building on its digital foundation, has continuously enhanced its digital management capabilities through innovative models and sustained digital transformation efforts. In addition, it provides enterprises with one-stop, cost reduction and efficiency enhancement in DLM solutions services, which has created great social benefits. As a listed company on the Hong Kong Stock Exchange and an outstanding alumni enterprise, the iterative upgrading in business model of Bear U-Rental and its experience in digitalization and scientific management are worthy of alumni enterprises’ consideration and learning.





Built on a robust technological foundation, the Group successfully delivers a comprehensive, fast and reliable operational service to its customers. During the reporting period, the Group focuses on providing customers with one-stop services, covering all key stages such as on-site installation upon initial device subscription, maintenance and repair and device management of devices during usage, and on-site collection upon expiration of device subscription. The Group insists on providing excellent customer services, attaching great importance to the service quality and response speed. During the reporting period, the Group had no material complaints relating to any product or services. Regarding the customer feedback, we strive to respond quickly to customer's issue within 30 minutes and respond to customers at an efficient speed within two hours upon confirmation of the issue, with an aim to solve the customers' issues in the shortest possible time. In addition, the Group will arrange professional team to follow up with the customers within 3 to 5 working days after confirming the issues to evaluate their satisfaction. In cases where the customers are not satisfied, the complaint will be immediately escalated to relevant departments for further actions, with an aim to ensure that each customer ultimately receives a satisfactory solution.

Headquartered in Shenzhen, the Group has nine branches in Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Chengdu, Nanjing, Xiamen, and Hangzhou and has developed a self-operated warehousing model. Moreover, the Group puts efforts in the development of a DLM service network across China. The Group provides services in more than 380 cities and 2,800 districts and counties with 4,222⁴ nationally certified engineers, who can respond within 30 minutes and provide on-site service within 4 hours in nine major cities with branches. For other cities, we can achieve a 30-minute response time and provide on-site service within 8 hours. In addition, we always care about our customers and pay close attention to building a good business relationship with them. Since 2024, Bear U-Rental, a brand of the Group, has organized several "Customer Service Day" activities to provide on-site service, such as IT device operation and maintenance for corporate customers, which have been well received by corporate customers.



LX Technology has a professional and responsible customer service team



Bear U-Rental, a brand of LX Technology, hosted multiple offline corporate customers service day events

⁴ Some certified engineers are third-party engineers certified by the Group





The Group has strictly adhered to the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and regulatory requirements in terms of product and service offerings as well as advertising and marketing. The Group has continuously improved its brand marketing and promotional management mechanism to ensure that customers can understand its business and service characteristics, and to safeguard customers' legal rights and interests.

By virtue of its high-quality service capabilities and system construction, the Group's service quality has gained widespread recognition from partners across sectors, establishing long-term, stable collaborations with numerous enterprises, platforms, and recurring events. Through its cost-efficient DLM services, the Group empowers businesses and events of all types to achieve win-win results. Through the establishment of win-win partnerships, the Group has not only realized the continuous expansion of its own business, but also contributed positively to the healthy development of the industry chain and the steady growth of the regional economy. Such synergy not only promotes the optimized allocation of resources, but also injects new vitality into the sustainable development of the entire ecosystem.

Case 4: Fully support for the successful execution of the 2024 national accounting professional qualification examinations

As one of the important service providers for the national accounting professional qualification examinations, Bear U-Rental, a brand of LX Technology, participated in the entire process of the 2024 national accounting professional qualification examinations (primary and intermediate levels). With the support of Shenzhen Municipal Finance Bureau, Bear U-Rental delivered a one-stop asset-light examination integrated solution, including the construction of venue, device leasing, network deployment and technical support, and efficiently deployed 5,000 computers in 3 hours to ensure the smooth completion of the examination.



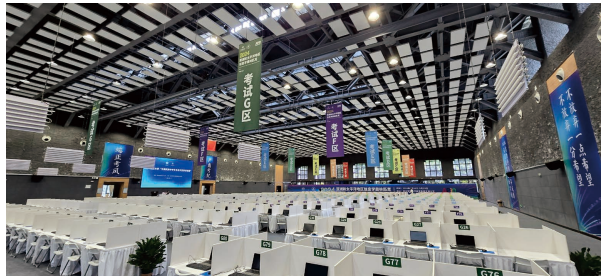
The relevant person in charge of the Shenzhen Municipal Finance Bureau acknowledged that this year's examination time is tight and heavy due to multiple complex factors, requiring exceptional adaptability and comprehensive service capabilities from providers. Service team of Bear U-Rental actively respond to challenges with the courage to assume responsibility, and withstand the pressure to deliver a satisfactory answer, which is a very trustworthy and excellent service provider.





Case 5: Bear U-Rental, a one-stop short-term rental solution, supports the successful launch of APIO 2024

On May 18, 2024, the 2024 Asia-Pacific Informatics Olympiad (APIO 2024) was held online simultaneously across participating countries and regions. As the device provider for APIO 2024 (China), LX Technology's service brand, Bear U-Rental, provided a one-stop short-term device rental integrated solution for the competition and set up a specialized on-site service technical team to ensure the smooth execution of the event.



The relevant person in charge of the competition said that the asset-light solution of Bear U-Rental not only reduces the one-time capital investment in IT device and the difficulty of product configuration from competition, but also reduces the demand for warehousing, distribution, operation and maintenance personnel, releasing a large amount of human and material resources, thus allowing the organizing committee to focus on the related core business under the competition, and make it easy to run the competition, which is an important guarantee for the competition to be carried out smoothly.





Case 6: Building on the success, fully supporting the smooth holding of the Canton Fair

On October 15, 2024, the 136th China Import and Export Fair (“Canton Fair”) grandly opened in Guangzhou. As the official designated computer leasing service provider of the Canton Fair, Bear U-Rental provided customized short-term leasing solutions for more than 1,000 computers for the Canton Fair Complex, Guangzhou high-speed railway station, the airport and 70 hotels in the city through the DLM solution service model, and fully supported the smooth holding of Canton Fair.



The relevant person in charge of the organizer of the Canton Fair said that, as a service provider of the Canton Fair for many years, the service team of Bear U-Rental has many years of experience in large-scale projects, and constantly summarizes, improves and upgrades its own technical knowledge and professional skills, to provide customers with more professional and more abundant services. Particularly, when encountering unexpected situations, Bear U-Rental’s service team can respond quickly and solve the problem properly, which is an important guarantee for the smooth convening of the Canton Fair.



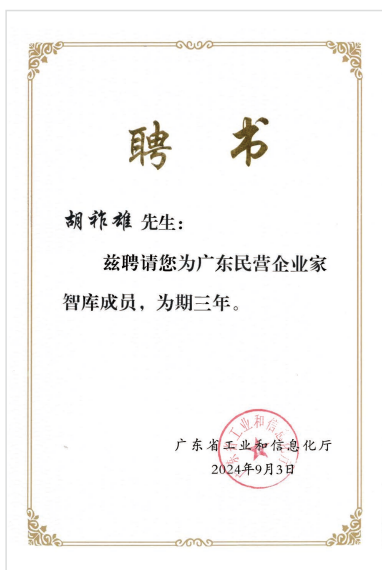


Topic 2: Promoting High-Quality Development of the Industry Through Value Inheritance

Promoting Pioneering Spirit, Setting Industry Benchmarks

With the spirit of professionalism, expertise, connoisseurship and a strong sense of social responsibility, the Group has been committed to promoting the standardized construction and high-quality development of the industry for a long time. As a pioneer in China's DLM solutions, the Group has successfully assisted numerous enterprises in reducing operating costs and enhancing operational efficiency over the past 20 years, and has accumulated profound industry experience and technical specifications through its professional services to continuously develop the market. The promotion of industry standardization cannot be achieved without the joint efforts of all enterprises, with the industry leaders at the core. To this end, the Group actively fulfills its responsibilities as an industry leader and takes the role of a front-runner in promoting the progress of the industry, and contributes to the standardization of China's DLM solutions industry and its long-term sustainable development with its continuous efforts, focused research, integrity and innovation.

The Group continues to play a pioneering role in the DLM solutions industry, leading the high-quality development of the industry and the results have been recognized by all parties. In 2024, Hu Zuoxiong, the Chairman of the Board of the Group, was successfully selected as a member of the Guangdong Private Entrepreneurs Think Tank and an expert of Shenzhen Standard Experts Depository, and the Company was recognized by the Ministry of Commerce of the PRC as one of the Second-Batch National Standardization Pilot Enterprise for Service Industries (specialized in commercial circulation), and was again selected as a teaching case of Guanghua School of Management, Peking University. In October 2024, the Group was honored with the Ram Charan Management Practice Award — Innovation and Entrepreneurship Award, jointly initiated by Harvard Business Review Chinese Edition and world-renowned management consultant Mr. Ram Charan. The receipt of a series of important qualifications and honors signifies that the Group's innovative exploration and management practices in the DLM solutions industry over the years have been widely recognized by all sectors of the society. This is of significance in continuing to lead and promote the high-quality development of China's DLM solutions industry.



Selected as a member of the Guangdong Private Entrepreneurs Think Tank



Selected as a teaching case by Guanghua School of Management, Peking University



Ram Charan Management Practice Award — Innovation and Entrepreneurship Award





Case 1: Demonstrating to the world the results of China's practice of DLM for a circular economy at COP29

From November 11 to November 22, 2024, the 29th session of the Conference of the Parties ("COP29") to the United Nations Framework Convention on Climate Change (《聯合國氣候變化框架公約》) was convened, and on November 20, as the only representative of China's DLM solutions industry, Hu Zuoxiong, the Chairman of the Board of LX Technology, was invited to attend the side event at the COP29 China Pavilion on the theme of "Chinese and foreign practices in the circular economy to address climate change", where he shared his insights on how LX Technology, as a representative of China's innovative practice of circular economy, has actively explored and practiced the concept of "dual-carbon" strategy goal in implementing the concept of circular economy.





Case 2: 2024 high-quality development leadership evaluation research team visited LX Technology

On September 11, 2024, the 2024 high-quality development leadership evaluation research team visited LX Technology. Centered on new quality productivity, the discussion focused on opportunities and challenges in corporate cost reduction/efficiency improvement and socialized data, exploring efficient pathways for enterprise digital transformation and upgrading in the AI era, and leveraging intelligent data to empower high-quality development.



The evaluation panel noted that, driven by market trends, the DLM solution industry will mature further. As an industry leader, LX Technology demonstrates three key strengths: policy support advantages, enterprise value creation, and scenario complementarity through localized operational models. The panel emphasized the sector's vast potential, urging LX Technology to strengthen its market presence, take its responsibility to stabilize fixed-asset investments for more enterprises, and advance digital transformation and upgrading and high-quality development on such basis.





Case 3: Participation in the 2024 Big Data Expo “Data Empowerment for Private Economy” exchange event, creating a demonstration effect

On August 29, 2024, the “Data Empowerment for Private Economy” exchange event at the China International Big Data Industry Expo 2024 ("Big Data Expo") was held at the Guiyang International Ecological Conference Center. Mr. Hu Zuoxiong, Chairman of the Board of LX Technology, attended by invitation and shared insights and practices on empowering SMEs’ digital transformation. He highlighted LX Technology’s sustained efforts in digitalization and its tangible achievements over the years.



Mr. Hu Zuoxiong emphasized that LX Technology is both an active advocate and a major beneficiary of digital transformation. Its successful experience create a significant “demonstration effect”, providing valuable references for most SMEs and encouraging them to adopt and prioritize LX Technology’s DLM solutions services.





Sharing Advanced Experience to Drive Collective Development

While comprehensively advancing its high-quality development, the Group has actively shared its successful practices and industry insights externally, driving collective progress in the DLM solution industry and creating value for the entire industry and society. Centered on the LX Research Institute, a platform established under its leadership, the Group regularly delivers high-quality industry research outcomes to provide clear guidance for the healthy and orderly development of China's DLM solution industry. Leveraging the Group's extensive service cases and data resources, the LX Research Institute researched macroeconomic operations, industry advancements and public concerns. In 2024, it released four landmark reports, delivering comprehensive analysis, summaries and forecasts of industry-wide opportunities emerging from macroeconomic operations and the development of DLM solutions market in China's core cities. These reports enable stakeholders to gain a systematic understanding of the industry's development and provide critical guidance for enterprises in strategic planning and deployment. Given its continuous delivery of high-quality insights, the LX Research Institute has become the primary window for stakeholders to follow, observe and understand the DLM solution industry.



The Group also actively responds to industry needs by supporting the establishment and development of public platforms. On June 5, 2024, the Special Committee on DaaS (Devices-as-a-Service) Service (the "DaaS Service Committee") of the China Association of Small and Medium Enterprises was inaugurated. As a branch of the China Association of Small and Medium Enterprises, a 5A-level social organization, the DaaS Service Committee serves as China's first resource integration and innovation service platform for the DLM solution industry, aiming to enhance industry awareness, popularity and competitiveness of China's DLM solution industry, and to promote the standardized, healthy and high-quality development of the industry, thereby contributing to the high-quality growth of China's economy. As a pioneer in the DLM solution industry, the Group provides essential support for the DaaS Service Committee's daily work. Under the Group's active participation and coordination, the DaaS Service Committee organized and participated in multiple high-profile events in 2024, delivering groundbreaking industry research outcomes.





2024.6.5

The DaaS Service Committee of the China Association of Small and Medium Enterprises held its inauguration ceremony



2024.7

The DaaS Service Committee co-organized the first thematic seminar of the DLM solution industry in China with the Shenzhen Office Equipment Leasing Industry Association



2024.8

Mr. Hu Zuoxiong, director of the DaaS Service Committee, was invited to lead a delegation to participate in the Intel AIPC Empowered Asset Management Platform and AI Developer Innovation Seminar





Case 1: Hosting the “Opportunities and Challenges of the DaaS Industry in the Computing Power Era” Seminar and the Annual Meeting of the National Standards Working Group on Comprehensive Utilization of Data Center Resources



On December 9-10, 2024, the “Opportunities and Challenges of the DaaS Industry in the Computing Power Era” Seminar and the Annual Meeting of the National Standards Working Group on Comprehensive Utilization of Data Center Resources were held in Wuhan. Attendees included Mr. Yu Keli, secretary general of the China National Resources Recycling Association, Mr. Hu Zuoxiong, director of the DaaS Service Committee and Chairman of the Board of LX Technology, Mr. Zhang Heran, secretary general of the Electronic Product Recycling Branch of the China National Resources Recycling Association, and nearly 40 experts and corporate representatives from the DLM solution and related industries.



During the event, Mr. Hu Zuoxiong, director of the DaaS Service Committee, stated that with the computing power economy rapidly developing, IT hardware such as servers and network equipment — core infrastructure supporting this economy — represents crucial operational categories for the DLM solution industry. Consequently, the growth of the computing power economy will significantly impact the DLM solution industry. The DaaS Service Committee aims to enhance industry communication and collaboration through this seminar, jointly exploring new opportunities and addressing new challenges for the DLM solution industry in the computing power era.





Case 2: DaaS Service Committee released a series of industry research reports

On November 22, 2024, the DaaS Service Committee released the Research Report on Policies and Standard Systems for the DaaS Industry (《DaaS行業政策及標準體系研究報告》). The report provided an in-depth analysis of the current status of policies and standards related to the DaaS solution industry, systematically reviewed relevant policies, regulations and standards governing the industry's development in recent years, identified key issues and challenges faced by the DaaS solution industry amid the development process, and offered targeted recommendations for the government and the industry, providing reference and guidance for healthy and sustainable development of the industry. On December 9,

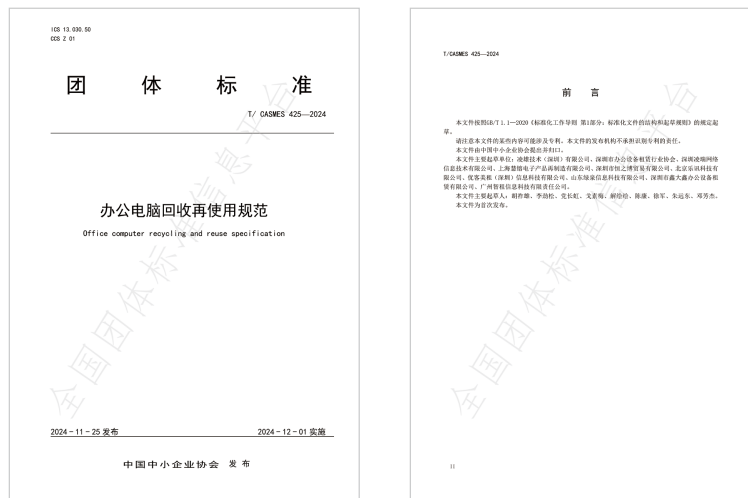
2024, the DaaS Service Committee of the China Association of Small and Medium Enterprises officially launched China's inaugural DaaS Industry Blue Book (2024) (《DaaS行業藍皮書(2024)》). As the first blue book in the DaaS solution industry, it aims to provide a comprehensive and objective reference for government agencies, market participants, investors and the public to understand the industry.





As a leading enterprise in the DLM solution industry, the Group has proactively undertaken the social responsibility of advancing industry standardization and maturity, actively participating in the formulation of various national, industry and association standards. In December 2024, the Group spearheaded the development and official release and implementation of China's first association standard, Standards for the Recycling and Reuse of Office Computers (《辦公電腦回收再使用規範》) (No. T/CASMES425-2024). The standard defines the basic requirements for recycling entities, collection, refurbishment and management in the office computer recycling and reuse industry. It explicitly outlines the core principles of office computer recycling and reuse, including maximizing resource utilization, minimizing environmental pollution, and strictly prohibiting the direct landfill or incineration of discarded office computers. Processing must follow reuse, recycling, and energy recovery. Additionally, the standard establishes, for the first time, a standardized workflow for office computer recycling and reuse, providing clear operational guidance. The introduction of this standard fills a regulatory gap in China's office computer recycling industry, delivering critical technical support and standardized directives to promote the industry's standardization and professionalized development.

The Group also participated in the formulation of two association standards, namely General Capability Building for Small-and Medium-Enterprises Service Institutions — Part 1: Evaluation System (《中小企業服務機構通用能力建設第1部分：評價體系》) and General Capability Building for Small-and Medium-Enterprises Service Institutions — Part 2: Evaluation Methods (《中小企業服務機構通用能力建設第2部分：評價方法》), which were released in September 2024. In 2024, the Group participated in the formulation of two national standards, namely Grading Specification for Usability Level of Second-hand Electronic Information Products (《二手電子信息產品可用程度分級規範》) and Requirements for Waste Electrical and Electronic Equipment Processing — Part 3: Servers (《廢棄電器電子產品處理要求第3部分：服務器》), as well as the industry standard Technical Specification for Server Remanufacturing (《服務器再製造技術規範》). These standards are expected to be published by 2025.



Furthermore, the Group has proactively strengthened exchanges with external institutions, showcasing the development of the DLM solution industry through multi-channel and comprehensive approaches, thereby continuously enhancing societal understanding of the industry.





Case 1: Jointly organizing the Visiting “Little Giant” Enterprises thematic exchange event with SZ Enterprise Confederation



In April 2024, the Group collaborated with the Shenzhen Enterprise Confederation and Shenzhen Entrepreneur Association (collectively referred to as the “SZ Enterprise Confederation”) to organize the Visiting “Little Giant” Enterprises thematic exchange event. Centered on the theme “How to Innovate and Seek Opportunities Within a Stable Industrial Structure”, the event attracted nearly 40 member enterprises of the SZ Enterprise Confederation.

During the seminar, Mr. Hu Zuoxiong, Chairman of the Board of LX Technology, delivered a keynote titled “Deep Vertical Integration and Model Evolution of Bear U-Rental”. He shared historical insights and practical experience on how Bear U-Rental, faced with an entrenched industrial structure, innovated its enterprise service model, embraced digital transformation, and leveraged capital to evolve from a traditional IT office equipment leasing provider into a digital-driven enterprise-level DLM solution provider. Following the presentation, participating entrepreneurs engaged in an open dialogue with Mr. Hu Zuoxiong, proactively raising questions on information security, product and service design, and other topics. Attendees acknowledged the event as highly instructive.





Case 2: Hosting the 2024 mid-year media exchange conference



On June 25, 2024, Bear U-Rental hosted its mid-year media exchange conference under the theme “20 Years with U, Journeying Together with Media” at its Shenzhen headquarters. Ten media outlets, including CMG Radio The Greater Bay, Securities Daily, National Business Daily, Zhitong Caijing, GuruClub, Cailian Press, Shenzhen Special Zone Daily, SZNEWS.COM and HK Stock Research Society, attended the event by invitation. Media representatives engaged in discussions with Mr. Hu Zuoxiong, the chairman of the Bear U-Rental, and Mr. Hua Baocheng, partner and president of Bear U-Rental, along with other members of the management team.

During the conference, Mr. Hu Zuoxiong expressed sincere gratitude to media professionals for their longstanding support and interest in Bear U-Rental. He highlighted the company’s achievements over the past two decades in market cultivation, helping enterprises reduce costs and enhance efficiency, as well as its future development strategies. The success of this conference conveyed the industry’s authentic perspectives externally, addressed key topics of public concern, and fostered a deeper understanding of Bear U-Rental and the DLM solution industry among diverse stakeholders.





1. Excellence in Governance and Compliant Operations

Enhancing Corporate Operational Efficiency

Amid global trends of digitalization and sustainable development, enhancing operational efficiency has become not only a critical driver for enterprises to strengthen market competitiveness but also a vital pathway to achieve ESG goals. As the global economic landscape grows increasingly complex, resource utilization efficiency and operational effectiveness have emerged as core metrics for evaluating corporate competitiveness. For enterprises in the DLM solution industry, efficient operations are pivotal to ensuring robust internal mechanisms, advancing service capabilities and quality, and ultimately influencing users' IT equipment utilization and business operations. The Group has consistently recognized the importance of operational efficiency for sustainable corporate and societal development, prioritizing the enhancement of operational quality and efficiency as a core strategy. Through innovative management approaches and continuous process optimization, the Group actively responds to market changes and societal responsibilities.

In 2024, the Group conducted multiple comprehensive business line review meetings to analyze key operational challenges, refine workflows and significantly improve overall business performance. These reviews focused not only on short-term goal achievement but also on optimizing long-term strategies and operational models, ensuring agility and competitiveness in a rapidly changing market while consistently meeting shifting user demands. Additionally, to strengthen management capabilities, the Company organized training sessions for mid-to-senior management in the second half of 2024 through book-sharing workshops. These initiatives systematically elevated the professional expertise and decision-making efficiency of the management team.



Multi-session, multi-dimensional business review meetings of LX Technology



Multi-session book-sharing workshops for mid-to-senior management of LX Technology





Risk and Compliance Management

• Risk management and internal control

The Group places enterprise risk management and control at a strategic level, with the Audit Committee taking the lead and the Board overseeing to ensure the establishment and maintenance of a sound and efficient internal control and risk management system and related policies. Senior management of the Group is responsible for supervising the strict implementation of internal control procedures and related measures of subsidiaries and functional departments in daily operations.

To strengthen risk management in a comprehensive manner, the Group has adopted a series of internal risk management and internal control and management measures, which cover the operating procedures, internal control procedures and other policies and guidelines. At the same time, comprehensive risk management policies have been adopted and implemented in various aspects of business operations such as IT, financial report, compliance and human resources, to ensure effective control of risks in all areas. In addition, the Group has continuously refined relevant systems such as the Long-Term Lease Credit Management System (《長租授信管理制度》), the Management Measures for Bad Debts (《壞賬管理辦法》), and the Suspicious Risk Management Measures (《可疑風險管理辦法》), to further optimize the risk management mechanism and ensure that risks in actual business operations are controllable and manageable, thereby providing a solid foundation for the Group's stable operations and sustainable development.

• Compliance Management

In order to comprehensively and effectively manage the compliance and legal risks of the Group, the Group has further adopted strict internal procedures to ensure that all business operations strictly comply with applicable laws, regulations and industry standards. According to these procedures, the Group's legal department is responsible for reviewing and updating the forms of contracts entered into between the Group and its customers, partners and suppliers. Before the Group enters into any contracts or business arrangements, the legal department shall verify terms of contracts and review all relevant documents related to business operations, including licenses and permits obtained by any contracting party to fulfill its contractual obligations and all necessary due diligence documents.



Risk control and compliance governance training





In addition, the Group's legal department is responsible for obtaining necessary government approvals or consents within the deadlines, including preparing and submitting all necessary documents for filing with relevant government departments, to ensure that the Group's business operations comply with legal and regulatory requirements at all times. In terms of actual operations and employee behavior management, the Group has established an accountability mechanism to address violations of laws, regulations and internal policies, ensuring that compliance management is embedded in all aspects of business operations. In 2024, the Group further strengthened its compliance management system, strictly adhering to the Reporting System of Significant Issues (《重大事項報告制度》), the Management Measures of Discloseable Transactions (《須予公佈的交易管理辦法》), and the Management Measures for Ongoing Obligations (《持續責任管理辦法》), thereby ensuring operational transparency and compliance of the Group.

To ensure the implementation of the Group's compliance management system, the Group actively conducted relevant training activities. In 2024, the Group organized multiple risk control and compliance governance training sessions for mid-to-senior management to enhance the Company's compliance governance standards.

• Intellectual property rights protection

The Group strictly complies with the requirements of laws and regulations, such as the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), to avoid infringing on the intellectual property rights of others and effectively protect its own legitimate intellectual property rights. During the reporting period, the Group did not experience any events of infringement of others' intellectual property rights.

All of the Group's core business systems have completed software copyright registration and obtained legal software copyright registration certificates. As of the end of 2024, the Group has obtained 70 software copyright registration certificates.

• Honesty and integrity

The Group strictly abides by local laws and regulations relating to, among others, bribery, extortion, fraud and money laundering that have a significant impact on the Group, including the Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), and the Audit Law of the People's Republic of China (《中華人民共和國審計法》). The Group places great importance on anti-bribery and anti-corruption efforts and has implemented specific policies and internal control measures to prevent corruption and bribery. These policies include procedures for identifying potential corrupt activities, specific steps for implementing anti-corruption actions and setting out anti-corruption responsibilities for relevant personnel. In 2024, the Group has been further refining the internal Anti-bribery and Anti-corruption System. The Group strictly prohibits bribery or other improper payments in any of its business operations. This prohibition applies to all business activities. Improper payments prohibited by these policies include bribes, kickbacks, excessive gifts or entertainment, or any other payments aimed at securing undue advantages.





To strengthen integrity culture, the Group continues to carry out integrity education and strengthens employees' awareness of anti-bribery and anti-corruption through regular meetings on the topic of self-reflection. All management personnel have signed the Undertakings on Integrity, pledging adherence to integrity standards. During major festivals and holidays when corruption easily occurs, the Group issues timely reminders to supervise and urge employees to adhere to self-discipline. At the same time, the Group provides its employees with open communication channels and encourages them to actively seek guidance on anti-corruption policies. The Group regularly conducts anti-corruption compliance checks and reviews for employees and senior management.

The Group also developed a comprehensive code of conduct for employees' behaviors, covering internal rules and guidelines on basic working rules, professional ethics, confidentiality obligations, accountability for negligence, anti-bribery and anti-corruption, to provide clear guidelines for employees' behaviors. The Group provided regular training and resources for employees to explain in detail the requirements provided in the employees' code of conduct. In addition, the Group has stated contact details for reporting bribery and corruption in its website and service contracts to further strengthen the anti-corruption monitoring mechanism. These measures fully demonstrate the Group's strong commitment to integrity in its operations and lay a solid foundation for sustainable development.

For other risk and compliance management measures taken by the Group, please refer to the annual report of the Company.





Supply Chain and Quality Management

The Group is a DLM solution enterprise, and its suppliers mainly include IT office devices, information technology and other related service providers. Potential suppliers for the devices recycling business involve enterprises from various industries that provide recycling devices. The Group strictly complies with laws and regulations such as the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) and the Government Tendering and Bidding Law of the People's Republic of China (《中華人民共和國政府招標投標法》), constantly specifying the management responsibilities of relevant departments for suppliers, regulating the procurement process, and promoting the construction of a clean supply chain.

Supply chain is a critical foundation of sustainable development. For years, the Group has been practising responsible procurement behavior and has developed and continuously improved the Procurement Management System (《採購管理體系》), which specifies the admission criteria, evaluation process and daily management specifications of suppliers, ensuring systematic, standardized and compliant supply chain management. Simultaneously, the Group strictly monitors and prevents unethical practices such as commercial bribes by conducting regular inspections and evaluations of suppliers. All suppliers are required to regularly provide supporting documents to prove that they have not been involved in any corruption and other major illegal records, ensuring transparency and compliance across the supply chain.

As the business is expanding into green subscription, the Group has prioritized the procurement of low-carbon and eco-friendly IT devices, and has imposed stricter requirements in terms of safety, quality, energy saving and emission reduction on suppliers. In addition, the Group prioritizes the procurement of green and eco-friendly water-based paint furniture as well as energy-and water-saving appliances to further implement the concept of sustainable development. During the reporting period, the Group did not discover any suppliers with significant, actual or potential, negative impacts on or violating commercial ethics, environmental protection, labor standards or other regulations.

The Group has formulated a set of completed quality assurance process and recall procedures for device subscription services to ensure the product quality and protect customers' rights. The quality assurance process covers the examination of device appearance and usage performance and the component testing to ensure that all devices meet stringent quality standards. The recall procedures are initiated in the event of a defect or safety issue, which mainly comprise the identification of affected devices, return and repair of faulty devices, and the implementation of corrective actions to prevent the recurrence of similar issues. These measures not only effectively protect the interests of customers but also further enhance the Group's service quality and market reputation.





2. Ecological Focus and Green Development

Commitment to Green and Energy Efficiency

In the daily operations of the Group, the concept of a green office is embedded in every aspect. The Group prioritizes energy structure optimization through meticulous management to achieve energy conservation and emission reduction targets. The primary energy used in the operations of the Group include electricity and gasoline consumed by owned vehicles. Through refined management practices, the Group controls energy consumption at its source and promotes efficient resource utilization, contributing to sustainable development. In 2024, the greenhouse gas emissions generated by the operations of the Group amounted to 1,458.87 tons, including Scope 1 greenhouse gas emissions of 174.46 tons and Scope 2 greenhouse gas emissions of 1,284.41 tons.

Scope	Unit	2024
Total greenhouse gas emission	tCO ₂ e	1,458.87
— Scope 1	tCO ₂ e	174.46
— Scope 2	tCO ₂ e	1,284.41
Greenhouse gas emission per person	tCO ₂ e/person	1.50
Greenhouse gas emission per unit area	tCO ₂ e/square meter	0.04

To fully implement environmental protection requirements, the Group has established an organizational structure with clearly defined responsibilities and divisions of labor, dedicated to preventing adverse environmental impacts. The Group has obtained ISO14001:2005 environmental management system certificate and ISO9001:2015 quality management system certificate, demonstrating its commitment to and practice of environmental protection. In terms of resource usage, the primary resource consumed by the Group is water, sourced from municipal supplies, which are stable and accessible without barriers. Emissions and waste generated include greenhouse gases and non-hazardous waste such as office and food waste. During the reporting period, the Group did not generate any hazardous waste. To enhance waste management, the Group collaborated with professional institutions qualified for recycling renewable resources to ensure that hazardous wastes, such as electronic waste generated from its operations, were disposed of in an environmentally friendly manner, minimizing the impact on the environment. By continuously optimizing resource utilization and waste management practices, the Group actively fulfills its environmental responsibilities while advancing sustainable development.



ISO14001:2015
environmental
management system
certificate



ISO9001:2015 quality
management system
certificate

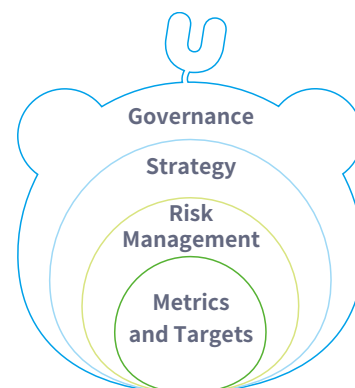




In alignment with China's intensified efforts to achieve its "dual carbon" strategic goals, the Group strictly complies with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Implementation Measures for the Permit System of Pollutant Discharge Control (《控制污染物排放許可制實施方法》) and other relevant laws and regulations on environmental protection to actively promote the concept of green office. The Group encourages employees to participate in environmental protection training and promotion campaigns, and implements various measures for energy and water saving and discharge management with an aim to reduce energy and resource consumption and control emissions.

During the reporting period, the Group had no confirmed environmental violations with a significant impact on the Group.





Response to Climate Change

• Climate-related risks and opportunities management system

Climate change is closely connected with the development of society and the future of humanity, presenting coexisting risks and opportunities. As important stakeholders in society, enterprises increasingly recognize climate change as a key aspect of their corporate social responsibility. It is essential for enterprises to endeavour to reduce their adverse effects on climate change, contribute positively to society and the environment, and pursue the aim of sustainable development. The Group has placed high importance to climate change and actively taken various long-term measures to reduce carbon emission and protect the environment. In order to cope with the climate change, the Company has established a series of climate change management systems. Details are as follows:

Level	»	Actions
Governance		<ul style="list-style-type: none">• The Board is responsible for supervising matters related to ESG, including “climate-related risks and opportunities”• The Group has established an ESG working group which is responsible for identifying and assessing ESG related risks and opportunities, including climate risk• All relevant departments and business units strive to cope with climate-related risks and opportunities as part of their main duties
Strategy		<ul style="list-style-type: none">• Fully aware of the possible material effects of climate change on its operation, the Company conducts comprehensive assessment on the potential impact of risks and opportunities arising from climate change on our financial position. The Company is committed to mitigating risks and seizing opportunities through low-carbon operation and boosting the development of closed-loop business via the DLM business model
Risk Management		<ul style="list-style-type: none">• The Company identifies its risks and opportunities arising from climate change based on the framework proposed by the TCFD• The Company intends to include management on climate-related risks and opportunities into its existing risk management system
Metrics and Targets		<ul style="list-style-type: none">• The Group intends to monitor, measure, analyze and disclose the performance related to carbon emission on a regular basis• The Company will implement measures for carbon reduction actively, and assess the Company’s management performance in coping with climate-related risks and opportunities, and formulate improvement plans accordingly





The Board and the ESG working group regularly assess the competencies and expertise of their members in addressing climate-related risks and opportunities. Through external training, expert consultations and internal learning mechanisms, the Group ensures that members possess sufficient professional knowledge and capabilities to effectively oversee strategies for addressing climate-related risks and opportunities. The Board and ESG working group obtain and monitor climate-related risk and opportunity information, as well as the implementation of governance decisions, through the following approaches:

- Quarterly review of climate-related risk and opportunity reports submitted by the ESG working group of the Group;
- Regular briefings from external experts and consultants on climate change trends, policies, regulations and industry best practices;
- At least one annual dedicated meeting to thoroughly discuss climate-related issues and their implications for the strategy of the Group.



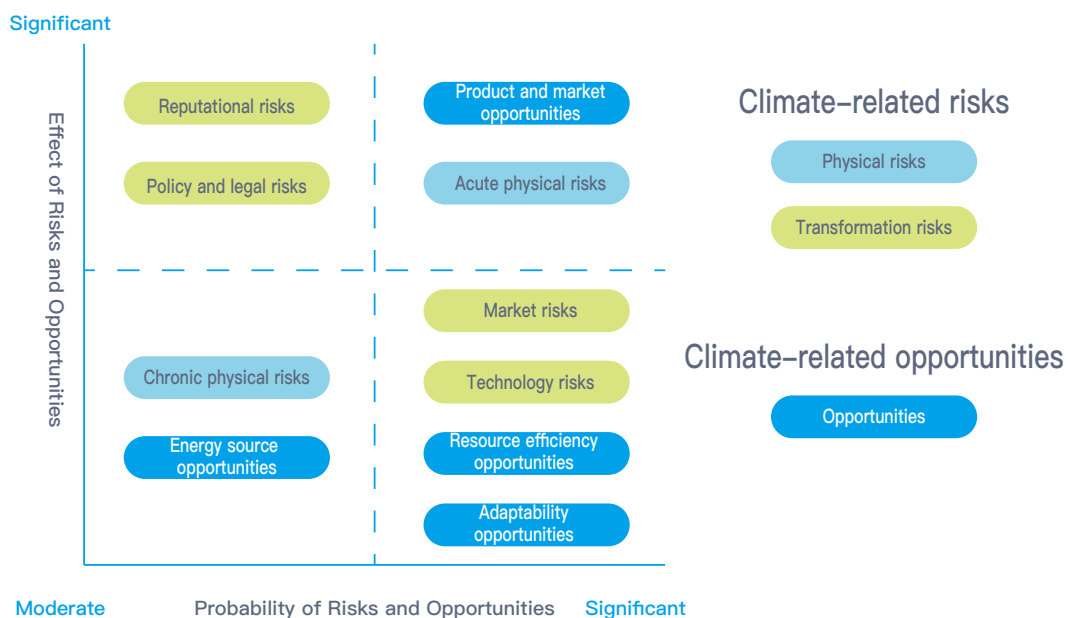


• Identifying and addressing climate-related risks and opportunities

To effectively manage both potential risks and opportunities, the Group has conducted an identification of climate-related risks and opportunities. By comprehensively evaluating multifaceted factors in business operations, the Group identifies climate-related risks and opportunities most relevant to the Company's current operations and future development, enabling effective risk mitigation and opportunity utilization.

Furthermore, the Group consistently prioritizes climate-related risk management as a key component of its risk management system. An internal scoring model has been established, encompassing assessment dimensions such as the risk tolerance level of operations, adaptability to such risks, and resources and time required for recovery. The Board and the ESG working group members periodically evaluate the probability of occurrence and business impact of each climate-related risk, thoroughly assessing the challenges in managing and addressing these risks. In governing climate-related risks, the Group fully acknowledges their characteristics, including long-term effects, uncertainty, non-linearity and systemic implications. Based on these characteristics and the objective conditions of the Group, comprehensive strategies such as risk control, transfer, acceptance and mitigation are deployed to formulate optimal risk management solutions.

Matrix of Climate-related Risks and Opportunities



The aforementioned climate-related risks and opportunities may impact the business operations and value chain of the Company across short-term, medium-term and long-term horizons. To better understand and address these impacts, the Group has conducted corresponding analyses and implemented response measures.





Analysis of climate-related risks and opportunities and corresponding response measures

Types of risk/opportunity	Description of the risk/opportunity	Potential financial impact	Business model impact	Value chain impact	Response measures
Climate-related physical risks					
Acute physical risks	Increased frequency or severity of extreme weather events, such as: rainstorms; typhoons; floods; droughts, etc.	Operating costs ↑ Revenue ↓ Value of fixed assets ↓	Expected damage to property and assets; Negative impacts on normal operations (e.g., inability to fulfill contracts); Insufficient utility supply (e.g., water/electricity) to factories/facilities; Negative impacts on labor (health, safety, absenteeism)	Reduction in production capacity (e.g., logistics delays, supply chain disruptions); Decline in service quality and customer satisfaction; Lower output due to operational interruptions	1. We maintain active communication with stakeholders through timely information disclosure and collaboration in order to identify effective measures for addressing the climate issues; 2. We have put in place emergency plans against extreme weather conditions where customers are provided with technical assistance solutions to ensure the normal operation of their devices during emergencies. We also conduct timely inspections and repairs to mitigate the risk of asset losses; 3. We take climate change and geological factors into account when making decisions related to site selection and investments
Chronic physical Risks	Persistent extreme heat; Altered precipitation patterns; Rising average temperatures; Sea-level rise, etc.	Operating costs ↑ Value of fixed assets ↓			
Climate-related transformation risks					
Policy and legal risks	Strengthened environmental regulatory requirements; Enhanced climate change disclosure requirements; Mandatory regulations on existing products and services; Exposure to litigation risks	Operating costs ↑ Revenue ↓ Value of fixed assets ↓	Strengthened environmental and climate-related regulations; Adoption/deployment of new operational processes for compliance; Negative impacts on normal operations (e.g., inability to fulfill contracts)	Lower output due to operational interruptions	1. We maintain active communication with stakeholders through timely information disclosure and collaboration in order to identify effective measures for addressing the climate issues; 2. Continuously monitor the latest climate developments, corresponding policies and market trends to promptly adjust and optimize operational processes
Market risk	Changes in consumer behavior; Increased raw material costs; Rise in marketing and promotional costs	Operating costs ↑ Revenue ↓ Value of fixed assets ↓	Negative impacts on normal operations (e.g., inability to fulfill contracts); Changes in input cost structures (e.g., increased energy and raw material costs); Shifts in output demand (e.g., heightened waste disposal requirements)	Projected shifts in downstream demand preferences; Decline in service quality and customer satisfaction	





Types of risk/ opportunity	Description of the risk/ opportunity	Potential financial impact	Business model impact	Value chain impact	Response measures
Climate-related transformation risks					
Technology risk	Replacement of traditional energy and high-energy-consumption equipment; Increased costs in transforming to low-energy-consumption equipment and technologies	Operating costs ↑ Revenue ↓ Value of fixed assets ↓	Premature retirement of existing assets; Increased R&D expenditure on new technologies; Adoption/deployment of new operational processes	Projected shifts in downstream demand preferences; Projected reduction in demand for upstream high-energy-consumption products and services	1. We maintain active communication with stakeholders through timely information disclosure and collaboration in order to identify effective measures for addressing the climate issues; 2. Continuously monitor the latest climate developments, corresponding policies and market trends to promptly adjust and optimize operational processes
Reputational risk	Shift in consumer preferences; Heightened environmental expectations from stakeholders	Operating costs ↑ Revenue ↓ Value of fixed assets ↓	Negative impacts on workforce recruitment and retention; Reduced capital availability	Projected shifts in downstream demand preferences; Projected reduction in demand for upstream high-energy-consumption products and services	
Climate-related opportunities					
Products and markets	Growing customer preference for low-carbon products and services	Revenue ↑ Value of fixed assets ↑	Further refinement of business models; Market expansion	Increased demand from downstream customers; Introduction of more efficient suppliers	1. We continue to optimize the closed-loop operation mode of our products and services, and recommend customers to prioritize the lifecycle management solutions; 2. We have developed comprehensive service solutions that are environmentally friendly and embrace the concepts of circular economy and emission reduction; 3. We prioritize the selection of low energy consumption products in our procurement process
Resource efficiency	Improved resource utilization efficiency; Recycling and reuse; Reduction in energy consumption	Operating costs ↓	Enhanced efficiency; Optimization of workforce management and planning (e.g., improved hygiene, safety and employee satisfaction)	Enhanced production capacity	
Energy sources	Increased adoption of low-carbon and renewable energy sources; Application of new technologies	Operating costs ↓	Adoption of cost-effective emission reduction methods; Mitigation of future fossil fuel price inflation risks; Reduction in greenhouse gas emission risks; Increased capital availability	Rising demand for products and services; Improved corporate reputation	
Resilience	Implementation of energy-efficient measures; Selection of environmentally friendly suppliers and partners	Operating costs ↓	Strengthened resilience planning (e.g., infrastructure upgrades, supply chain development)	Strengthened supply chain reliability and flexibility; Ensured adaptability of products and services	





ESG Targets and Measures

Based on its operating circumstances, the Group has set ESG targets in four areas, namely greenhouse gas emissions, waste management, energy management and water resource management, with 2024 as the benchmark year. LX Technology will continue to improve the implementation of these targets, regularly track the progress of target achievement, and strive to achieve these targets by 2025.

Greenhouse gas emissions per unit area	The greenhouse gas emission per unit area in 2025 will be controlled at a performance level of not exceeding that of the benchmark year of 2024, which is no more than 0.04 tons of carbon dioxide equivalent/square meter per year.
Electricity consumption per unit area	The electricity consumption per unit area in 2025 will be controlled at a performance level of not exceeding that of the benchmark year of 2024, which is no more than 50.10kWh/square meter per year.
Water consumption per unit area	The water consumption per unit area in 2025 will be controlled at a performance level of not exceeding that of the benchmark year of 2024, which is no more than 0.24 tons/square meter per year.
Waste management	The Group will continue to make efforts to dispose of hazardous waste in an environmentally friendly manner through qualified suppliers or its subsidiaries that have the ability and qualification to process such waste, in order to reduce the impact on the environment; As for non-hazardous waste, the Group will gradually improve the management methods for such waste and maintain the amount of non-hazardous waste generated at a lower level.



**• Energy conservation and emission reduction measures of LX Technology**

Major aspects	Measures
Greenhouse gas emission	<ul style="list-style-type: none">• Gradually increase the proportion of new energy official vehicles, regularly check and repair official vehicles, and reduce the energy consumption per kilometer of vehicles;• Specify the principle of using official vehicles and reduce the use of official vehicles;• Encourage employees to use video and teleconferencing systems for communication with customers, meetings, interviews and other scenarios to reduce greenhouse gas emissions caused by commuting;• Encourage employees to use public transportation and reduce personal car usage;• Promote low-carbon operation concepts to employees to achieve the goal of low-carbon office.
Waste management	<ul style="list-style-type: none">• Harmless disposal of hazardous waste through suppliers or our subsidiaries with capabilities and qualifications of hazardous waste disposal to minimize the impact on environment;• Shenzhen Lingrui Recycling Resources Co., Ltd. (深圳凌瑞再生資源有限公司), a subsidiary of the Group, has obtained the license for the procurement, recycling, testing, resale and data elimination of old computers, servers, mobile devices and electronic accessories;• Actively advocate the green office model and paperless office through ways including but not limited to using electronic means to publish internal notices and plans of the Company and setting the printers to the default mode of black and white double-sided printing;• Standardize the allocation of waste sorting facilities, and set up dry and wet separation trash cans, recycling bins and hazardous waste containers in front of the elevators and in the garbage room.
Energy management	<ul style="list-style-type: none">• Prioritize the purchase of energy-saving lighting systems, energy-saving refrigerators and other energy-saving appliances;• Adopt centralized air-conditioning system, which can only be turned on after reaching a certain temperature in summer and winter;• Implement strict power consumption management and require employees to turn off various electrical appliances when off duty;• Establish an inspection mechanism for power usage, and turn off unnecessary lights, projectors, televisions and other electrical equipment in time to avoid ineffective operation of electrical appliances.
Water resource management	<ul style="list-style-type: none">• Water source is municipal water, and there is no problem in obtaining water source;• Equipped with water-saving equipment to reduce water consumption from the source;• Regular inspections and timely repairs in case of water running, leakage and dripping;• Water-saving labels are posted to areas with water taps to encourage employees to save water;• Cultivate water-saving awareness among employees and promote the implementation of the water saving action.





3. Collaborative Advancement and Talent Cultivation

Career Development

The Group is dedicated to working together with our employees, fostering a sense of unity and collaboration, and promoting a positive, optimistic, healthy and aspirational corporate culture. We encourage and inspire our employees to work collaboratively with the Company to pursue a better and happier life, while jointly creating a career.

In strict compliance with the laws and regulations including the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Hong Kong Employment Ordinance (《香港僱傭條例》), the Group has formulated a set of fair, just, and transparent human resource policies and systems to strictly regulate the management of recruitment, remuneration and dismissal of employees. The Group conducts thorough review of the valid identity information of new employees and prohibits the employment of child labour. During the reporting period, the Group was not aware of any violations related to the employment of child labour or forced labour. Meanwhile, the Group strictly adheres to eight-hour-day working system and provides rest days in order to protect employees' legal rights.

The Group has long been committed to establish a market-oriented selection and recruitment mechanism and adopt an employee diversity approach while resolutely eliminating discrimination based on factors such as gender, ethnicity, nationality, religious beliefs, family background, or disability. We provide equal employment and career development opportunities for employees of different genders, races, and beliefs, taking into account their gender, culture and professional experience backgrounds to achieve a harmonious and diversified workforce. We continuously strive to enhance workplace inclusivity and promote the sustainable development of the Company. These initiatives not only reflect the Group's respect for employee rights but also inject vitality and innovation into the Company's long-term growth.

Based on strict compliance with relevant laws and regulations of China, the Group has formulated a scientific and rational remuneration and welfare system based on the principles of "market-and post-based salary, pay raise for excellence and pay secrecy", and continuously improves the pay raise mechanism and enriches the types of welfare benefits to meet the diverse needs of employees. In terms of performance-linked compensation management, the Group allocates incentives to employees based on their individual performance and the overall results of the Company, ensuring the fairness and effectiveness of the incentive mechanisms.





Moreover, the Group adopts the LX Brothers Employee Incentive Plan and the Beauty Bear Employee Incentive Plan. Both plans are equity incentive plans that reward the employees' contribution to the growth and success of the Group, and at the same time encourage eligible participants to contribute to the Group for the long-term benefit of the Company.

To ensure a fair and just performance evaluation that accurately reflects the performance of employees, the Group has adopted multi-dimensional comprehensive evaluation methods, including departmental self-report, employee self-assessment, and departmental evaluation to evaluate performance of employees. Following the evaluation, we provide feedback to employees regarding their performance. These initiatives not only demonstrate the Group's recognition of employee contributions but also lay a solid foundation for building an efficient and harmonious working environment.

Furthermore, adhering to the belief that "employees are the most valuable assets of a company", the Group regards employee development as crucial to corporate success, and has implemented comprehensive and tailored training and promotion systems for employees across various positions and grades. We are committed to continuously optimizing and innovating the training management mechanisms to ensure close alignment between the career development of employees with the Group's business objectives. In terms of employee training, the Group focuses on the cultivation of comprehensive qualities and humanistic literacy of employees in addition to the enhancement of professional skills. Through diversified training methods, the Group helps employees achieve continuous improvement and better adapt to the dynamic needs of corporate development, injecting sustained momentum for mutual growth of individuals and the organization.

In 2024, the Group comprehensively implemented four employee training programs, namely the "Spark Plan", "Elite Plan", "Wildfire Plan" and the "Commander Plan". The Group opened channels for cadre training, evaluation, practical experience and promotion, and reserved a management talent candidate pool for the existing business teams to ensure that responsible and competent management cadres can be selected in a timely manner if expansion is needed. These employee training programs are designed to accelerate the standardized, orderly and effective expansion of the working force.





Case: Regional offices conducting “Wildfire Plan” training sessions





Caring for Employee Well-being

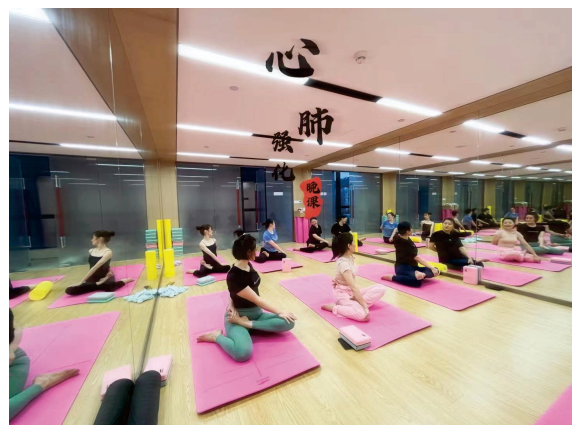
The health and safety of our employees form the fundamental guarantee for their personal growth, career development and overall well-being. The Group rigorously complies with pertinent laws and regulations, including the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》), the Regulations on Work-related Injury Insurance (《工傷保險條例》) and Employees Compensation Ordinance (《僱員補償條例》) of Hong Kong. The Group places high importance on the physical and mental health and safety of our employees, and continuously optimizes supplementary insurance schemes to provide comprehensive support for employees. In 2024, the Company further refines its insurance system for employee health and safety, including group accident insurance, supplementary group medical insurance for accident expenses and group medical insurance with fixed payment for hospitalization. In the future, the Group will continue optimize and improve the employee insurance system to provide employees with a healthier and safer working environment.

In addition to being committed to providing a safe and healthy work environment, the Group has actively enriched the content of health culture within the Company. An employee yoga club was established, along with organizing various sporting activities including badminton competitions, encouraging employees to participate in sports. We aim to enhance the physical fitness of our employees, enrich their lives and support their healthy living.

Case: Diversified sports and health activities



Badminton competition



Yoga club





The Group is dedicated to creating a safe and healthy working environment. In compliance with the regulations of the public security and fire departments, and in line with our safety management requirements, we have strengthened the daily security and fire safety management and implemented various safety precautions to protect the personal and property safety of our employees. During the reporting period, the Group was not aware of any violations related to employee occupational health and safety.

In addition, the Group offers a range of welfare and benefits to employees that meet their spiritual needs. In addition to complying with the statutory welfare requirements of China, we also offer additional benefits such as paid leave and various types of ceremonial benefits. In 2024, the Group organized various team-building and recreational activities aligned with the daily lives of employees, to create a joyful working environment and cohesive team atmosphere.

Case: Exciting team-building activities



Passion market



Customer service center —
Central China headquarters
team-building



Product R&D team-building



Employee "family day"



Mid-autumn festival





4. Social Commitment and Philanthropic Dedication

The Group adopts a dual-driver approach encompassing internal management and external operations, and is committed to fostering a sustainable ecosystem integrating business, society and environmental harmony. We consistently uphold commitments to the public, closely monitor community needs, actively spread goodwill and support vulnerable groups. Through sustained philanthropic initiatives, we strive to contribute to community development, continuously disseminating harmony and positive energy to advance societal progress.

In 2024, driven by a strong sense of social responsibility, the Group designed and implemented a systematic social welfare action plan that aligns with both its business characteristics and actual societal needs. This plan aims to foster positive social development and enhance public welfare through concrete measures.

Concurrently, the Group leverages on its unique advantages in resources, technology and networks to actively establish collaborative bridges. We have forged stable and productive partnerships with numerous public welfare institutions, government departments and social organizations. These collaborations not only facilitate the successful implementation of welfare projects but also lay a solid foundation for their long-term sustainability, improving the execution efficiency and social impact of philanthropic activities.

Looking ahead, the Group will remain steadfast in deepening its social responsibility practices and refining existing philanthropic programmes to ensure precise alignment with societal needs and maximize social benefits. Simultaneously, we will proactively explore innovative philanthropic models and approaches, enriching the scope and substance of our social responsibility initiatives. Committed to achieving harmonious coexistence and mutual benefit between corporate development and social welfare, we aim to contribute greater strength to societal harmony, prosperity, and progress.

During the reporting period, employees of the Group have contributed 296 hours to community welfare activities.





Key Quantitative Performance Tables

Key Performance Indicators for Environment

Indicator	Unit	2024
Total greenhouse gas emission (scope 1 and scope 2)	Tons of CO2 equivalent	1,458.87
Greenhouse gas emission per person	Tons of CO2 equivalent/person	1.50
Greenhouse gas emission per unit area	Tons of CO2 equivalent/square meter	0.04
Total electricity consumption ⁵	kWh	1,834,876.06
Electricity consumption per person	kWh/person	1,891.62
Electricity consumption per unit area	kWh/square meter	50.10
Total water consumption ⁶	Tons	8,901.36
Water consumption per person	Tons/person	9.18
Water consumption per unit area	Tons/square meter	0.24
Diesel consumption of business vehicle	Litre	31,607.78
Gas consumption of business vehicle	Litre	32,813.68
Hazardous waste ⁷	Piece	0
Non-hazardous waste — office paper	Tons	3.34
Total amount of product packaging materials	Tons	20.8

⁵ The statistics on total electricity consumption and density are based on the data of LX Technology and all of its subsidiary companies

⁶ The statistics on total water consumption and density are based on the data of LX Technology and all of its subsidiary companies

⁷ All the hazardous waste of the Group is mainly electronic components waste, which are all treated in a harmless manner by a collaborating company and Shenzhen Lingrui Recycling Resources Co., Ltd. (深圳凌瑞再生資源有限公司), a subsidiary of the Group, with qualification for recycling renewable resources. Therefore, the emission of hazardous waste is 0





Performance Indicators for Employment

Indicator	Unit	2024
Total number of employees⁸	Person	970
By gender		
Male	Person	703
Female	Person	267
By education		
University or above	Person	290
Junior college	Person	476
Below junior college level	Person	204
By employment category		
Full-time	Person	970
Part-time	Person	1
By age		
30 or below	Person	437
31–40	Person	469
41 or above	Person	64
By geographical region		
Eastern region	Person	628
Central region	Person	244
Western region	Person	83
Northeastern region	Person	15

⁸ Total number of employees represents the total number of full-time employees. The number of part-time employees is not accounted in other indicators except for “By employment category”





Performance Indicators for Employment

Indicator	Unit	2024
Employee turnover rate ⁹	%	36.08%
By gender		
Male	%	37.55%
Female	%	32.21%
By age		
30 or below	%	51.03%
31–40	%	24.95%
41 or above	%	15.63%
By geographical region		
Eastern region	%	36.46%
Central region	%	27.87%
Western region	%	46.99%
Northeastern region	%	93.33%

⁹ Employee turnover rate by category = number of employees who left during the year in that category / total number of employees in that category at the end of the year. Employee turnover statistics exclude individuals who resigned or were terminated during the probation period.





Performance Indicators for Occupational Health and Safety

Indicator	Unit	2022	2023	2024
Lost days due to work injury	Person	0	0	0
Number of work-related fatalities	Person	0	0	0

Performance Indicators for Employee Training

Indicator	Unit	2024
Total number of employees trained	Person	817
Percentage of employees trained¹⁰	%	84%
By gender		
Male	%	83%
Female	%	86%
By employee category		
Senior management	%	88%
Middle management	%	81%
Ordinary employee	%	85%
Average training hours completed per employee¹¹	Hours	11.85
By gender		
Male	Hours	12.14
Female	Hours	11.1
By employee category		
Senior management	Hours	10
Middle management	Hours	15
Ordinary employee	Hours	11.22

¹⁰ According to “How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs” (March 2020) issued by the Hong Kong Stock Exchange, the calculation method for the percentage of employees trained in each category is: the percentage of employees trained in each category = the number of employees trained in that category / the total number of employees trained

¹¹ The average training hours completed per employee in each category = the total number of training hours completed by employees in that category / the number of employees in that category





Performance Indicators for Suppliers

Indicator	Unit	2024
Number of suppliers	Entity	752
By geographical region		
Eastern region	Entity	618
Central region	Entity	79
Western region	Entity	51
Northeastern region	Entity	4

Performance Indicators for Customer Service and Product Responsibility

Indicator	Unit	2024
Product recall rate due to health and safety reasons	%	0
Number of product and service complaints ¹²	Cases	143

Performance Indicators for Anti-Corruption

Indicator	Unit	2024
Number of corruption lawsuits filed and concluded against the Company and its employees	Cases	0

¹² The statistics for the number of product and service complaints are based on the number of incidents where customers express dissatisfaction and cancel equipment subscription services





Report Standard Index

Aspects, General Disclosure and KPIs	Description	Disclosure section(s)
Major Aspect A. Environmental		
Aspect A1: Emissions		
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1 Commitment to Green and Energy Efficiency
KPI A1.1	The types of emissions and respective emissions data.	Key Quantitative Performance Tables
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	2.3 ESG Targets and Measures
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.1 Commitment to Green and Energy Efficiency 2.3 ESG Targets and Measures
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	2.1 Commitment to Green and Energy Efficiency
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.3 ESG Targets and Measures
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.1 Commitment to Green and Energy Efficiency
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Key Quantitative Performance Tables
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	2.1 Commitment to Green and Energy Efficiency
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.1 Commitment to Green and Energy Efficiency
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.2 Response to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.2 Response to Climate Change



Aspects, General Disclosure and KPIs	Description	Disclosure section(s)
Major Aspect B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1 Career Development
KPI B1.1	Total workforce by gender, employee category (full-time or part-time), age group and geographical region.	Key Quantitative Performance Tables
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Quantitative Performance Tables
Aspect B2: Health and Safety		
General Disclosure B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2 Caring for Employee Well-being
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Quantitative Performance Tables
KPI B2.2	Lost days due to work injury.	Key Quantitative Performance Tables
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3.2 Caring for Employee Well-being
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.1 Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Quantitative Performance Tables
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Quantitative Performance Tables
Aspect B4: Labour Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.1 Career Development
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1 Career Development
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Career Development
Operation Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	1.3 Supply Chain and Quality Management
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Tables
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	1.3 Supply Chain and Quality Management



Aspects, General Disclosure and KPIs	Description	Disclosure section(s)
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.3 Supply Chain and Quality Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.3 Supply Chain and Quality Management
Aspect B6: Product Responsibility		
General Disclosure B6	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Topic 1 — Strengthening Technical Capabilities, Building a Foundation for Premium Services 1.2 Risk and Compliance Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key Quantitative Performance Tables
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Key Quantitative Performance Tables
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.2 Risk and Compliance Management
KPI B6.4	Description of quality assurance process and recall procedures.	Topic 1 — Practicing Circular Economy Principles, Leading Green Development
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Topic 1 — Strengthening Technical Capabilities, Building a Foundation for Premium Services
Aspect B7: Anti-corruption		
General Disclosure B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	1.2 Risk and Compliance Management
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Key Quantitative Performance Tables
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.2 Risk and Compliance Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Risk and Compliance Management
Community		
Aspect B8: Community Investment		
General Disclosure B8	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4. Social Commitment and Philanthropic Dedication
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4. Social Commitment and Philanthropic Dedication
KPI B8.2	Resources contributed to the focus area (e.g. monetary cost or time).	4. Social Commitment and Philanthropic Dedication



Report Preparation

Reporting Standards

This report is a summary of the environmental, social and governance performance of LX Technology Group Limited (together with its subsidiaries, the “Group”) in 2024, prepared based on Appendix C2 “Environmental, Social and Governance Reporting Guide” (the “Guide”, which is renamed as the Environmental, Social and Governance Reporting Code effective from 1 January 2025) of the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

Reporting Principles

This report complies with the reporting principles in the “Environmental, Social and Governance Reporting Guide” of the Hong Kong Stock Exchange, including:

- **Materiality:** Based on the principle of materiality, this report determines the major issues to be responded herein via materiality analysis and provides key disclosures of environmental, social and governance matters with potential significant impacts on the investors and other stakeholders.
- **Quantitative:** Based on the principle of quantitative, this report discloses the quantitative key performance indicators (“KPIs”), gives the description of such KPIs, and provides the calculation basis and assumptions.
- **Balance:** Based on the principle of balance, this report reflects the objective facts and discloses indicators involving both positive information and negative information.
- **Consistency:** Based on the principle of consistency, this report clearly illustrates the method of statistics compilation and statistical data of the environmental, social and governance quantitative KPIs, and maximizes the consistency of indicators and calculations used for different reporting periods to reflect the tendency of performance level.

For the year ended 31 December 2024, the Company has complied with (a) the mandatory disclosure requirements; and (b) the “comply or explain” provisions set out in the Guide.

Reporting Languages

This report is prepared in traditional Chinese and English. In case of any discrepancies between the Chinese and the English versions, the traditional Chinese version shall prevail.

Reporting Scope

This report covers the business operation of the Group from 1 January 2024 to 31 December 2024 and gives an overview of the performance of the Group in terms of corporate governance, green operation, customer services, employee development and care for community. This report covers LX Technology Group Limited and its subsidiaries within the scope of consolidated financial statements in the annual report. Unless otherwise stated, the information involved in this report is derived from the documents and statistical reports of the Group, and the currency involved is Renminbi.





Stock Code 02436.HK

National SME Public Service Demonstration Platform
National Specialized and New "Little Giant" Enterprise

