COWELL

Cowell e Holdings Inc.
高偉電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1415

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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About this Report

This report is the second Environmental, Social and Governance ("**ESG**") Report separately published by Cowell e Holdings Inc. (the "**Company**"), mainly disclosing the Company's ESG philosophy and policies as well as performance of the Company from 1 January, 2025 to 31 December, 2025 (the "**year**" or "**2025**" or the "**reporting period**") in relation to ESG matters.

Reporting Period

This report is published on an annual basis, and the report for the previous year is normally released in the first half of the following year. This report covers the same reporting period of the annual report of the Company for the financial year ended 31 December, 2025 (the "**2025 Annual Report**"). The subsidiaries covered in this report include Dongguan Cowell Optic Electronics Co., Ltd. (東莞高偉光學電子有限公司), Dongguan Luxsense Innovation Electronics Limited (東莞立騰創新電子有限公司) and Dongguan Shiyuan Photoelectric Technology Co., Ltd. (立高光學（東莞）有限公司) which are the main subsidiaries of the Group with substantive production base. In order to enhance continuity and comparability of the report, certain content has been retrospectively and expansively included.

Title Description

For easier reference, "Cowell", the "Group", "we" or "us" collectively refer to the Company together with its subsidiaries in this report. "Dongguan Cowell" refers to Dongguan Cowell Optic Electronics Co., Ltd. (東莞高偉光學電子有限公司), "Luxsense®" refers to Dongguan Luxsense Innovation Electronics Limited (東莞立騰創新電子有限公司) and "Shiyuan" refers to Dongguan Shiyuan Photoelectric Technology Co., Ltd. (立高光學（東莞）有限公司).

Reporting Principles

This report is prepared based on the principles of Materiality, Quantitative, Balance, and Consistency as required by the Hong Kong Stock Exchange.

Materiality: based on the result of the ESG material issues evaluation as approved by the board of directors of the Company (the "**Board**"), this report provides key reporting on issues that may have a significant impact on investors and other stakeholders of the Company, as well as climate-related risks and opportunities that could reasonably be expected to affect the Company's short-term, medium-term, or long-term cash flows, financing channels and financing costs.

Quantitative: this report provides quantitative data, which is gathered from formal documents, statistical reports and financial reports of the Company, as well as ESG information collected, consolidated and reviewed by the Company. Data in this report is based on the requirements or industry standards on survey and calculation of the People's Republic of China ("**PRC**"). For instance, General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589–2020), General Rules for Water Statistics in Water-use Organization (GB/T26719–2022), Calculation Method for Pollution Discharge Volume at the Discharge Outlet of State Controlled Pollution Sources (H.B. [2011] No. 8), and Energy Statistical Reporting System (2021) (National Bureau of Statistics), etc.

Reporting Scope

This report includes Cowell e Holdings Inc. and its subsidiaries, consistent with the scope of the 2025 Annual Report and our 2024 ESG Report.

Data Description

Data quoted in this report refers to final data as of 31 December, 2025. For more economic data, please refer to the 2025 Annual Report.

Basis of Preparation

This report is prepared in accordance with the requirements set forth in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") — "Environmental, Social and Governance Reporting Code", (the "**ESG Code**") with reference to the requirements under the GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standards Board (GSSB) and 2030 Agenda for Sustainable Development under the United Nations Sustainable Development Goals (SDGs). Content in relation to climate change has made reference to the Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework issued by the Hong Kong Stock Exchange.

Balance: this report provides an unbiased picture of the Company's ESG management and performance, disclosing both positive and negative information related to the Company and avoiding statements or presentation formats that may inappropriately influence a decision or judgment by readers of this report.

Consistency: unless otherwise stated, we use consistent methodologies in this report and no changes have been made to the statistical methods or KPI in this report, and no changes have been made to other relevant factors using any other influential data for meaningful comparison over time.



Reporting Language

This report is published in Chinese and English, in case of any discrepancies, the English version shall prevail.



Accessibility

The Chinese and English version of this report is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cowelleholdings.com), available for download.

Chairman's Statement

2025 marked a key milestone for the sustainable development of Cowell. In the face of the changing global supply chain and the dual challenges of climate and environment, the Board has provided comprehensive oversight and accepted ultimate responsibility for the Company's ESG matters, including but not limited to ESG strategy and reporting, and infused ESG governance into the Company's strategic layout and the entire process of our production and operation. We have achieved practical and visible phased results in core segments such as carbon reduction, supply chain responsibility, and talent cultivation.

We consider AI as our engine to empower more efficient and greener intelligent manufacturing. During the year, we continued to upgrade our intelligent manufacturing platform, relying on Smart Vision, an intelligent vision inspection system to accurately identify product defects, intercept potential hazards in advance, improve yields and reduce manual intervention. At the same time, through AI-driven production cockpits, AGV scheduling, and equipment inspection alerts, we have achieved a closed loop of full-process tracking to promote resource conservation and energy consumption reduction through lean production, so that green intelligent manufacturing can be realized.

Addressing climate change is our unwavering commitment to the future. In 2025, we strictly implemented the ISO14001 environmental management system to achieve full coverage of certification for all of our operating entities. We were also awarded the honorable titles of national green factory and provincial green supply chain. Through various measures such as energy conservation and reform, resource recycling, and emission control, we have been steadily pushing forward the "double carbon" objective and guarding the bottom line of the ecological environment with actions.

In terms of social responsibility, we insist on the people-oriented and win-win cooperation philosophy. We endeavor to protect employees' rights and interests by building a platform for career advancement and creating a safe and inclusive workplace environment, continuously expanding our employee training programs and steadily increasing internal promotion opportunities for key positions. Meanwhile, we have deepened the green synergy within the supply chain, optimized customer service, upheld intellectual property rights and data security, and conscientiously fulfilled our responsibilities as corporate citizens.

At the corporate governance level, we have established an ESG management structure with the Board as the highest decision-making body, featuring clear delineation of responsibilities and efficient operations. Through a robust closed-loop supervision mechanism, we have strengthened institutional and organizational accountability at every level to ensure that various tasks are addressed, followed up and effectively implemented. Under this structure, the Board strictly adheres to the requirements under the Listing Rules, regularly reviewing progress toward ESG goals and closely aligning goals such as carbon reduction and supply chain responsibility with core business factors, including compliance costs, financing costs and operational stability. Through this model of "governance integrated into business operations", not only could we provide a solid foundation for the implementation of environmental, social and governance objectives, but also truly integrate the concept of sustainability into the very fabric of our business operations, transforming ESG management into tangible commercial competitiveness and risk management capabilities.

The path of ESG construction is long and arduous, and only through long-term efforts and devotion can we achieve steady progress. Looking forward, Cowell will always adhere to the philosophy of sustainable development, uphold its original aspiration for quality, devote to green and low carbon effort, deepen AI innovation and empowerment and continue to improve the ESG management system. We will take more resolute commitments, more cutting-edge layout and more pragmatic measures to join hands with all partners to establish an excellent enterprise with quality, intelligence and warmth, creating a high-quality and sustainable future, and constantly contributing Cowell's power to industry advancement and social development.



Mr. Meng Yan
Chairman of the Board

Knowing Cowell

General Information of the Company

Cowell e Holdings Inc. is a supplier of delicate optical modules for electronic mobile devices. The Company was founded in 1997, a factory area of 900,000 square meters, and a complete optical industry chain. It was listed in Hong Kong in March 2015 (stock code: 1415). We engage in the design, development, manufacture and sale of a variety of optical modules and systems integration products that are applied in smartphones, multimedia tablets, smart driving and other mobile devices of internationally renowned brands.

The Group continuously explores the business of precision optical modules deeply, focusing on product improvement and technological innovation to meet the changing demands of customers and the market. Despite the complex macroeconomic environment, with the market demand for precision optical modules remaining strong and the Group's continuous breakthroughs in the fields of smart driving and high-end mobile devices, there was steady growth in various performance indicators of the Company, demonstrating strong market competitiveness and risk resistance.



Factory Floor Plan of
Dongguan Cowell Optic Electronics Co., Ltd.

Corporate Culture

Mission

Committed to advanced technologies to materialize dreams of global partners

Vision

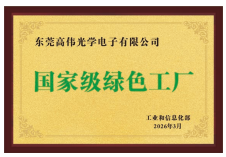
Become the most trustworthy solution provider for global customers

Core Values

Satisfying clients: to satisfy our client is a way to achieve self-satisfaction
Mission accomplished: missions are to be accomplished regardless of our condition, if no satisfying condition in place, create the condition
Continuous innovation: turn innovation into a habit and instinct
Together as one: progress together based on trust, knowing your partners always have your back
Self driven growth: self materialization and value creation both ride on growth



Corporate Awards



National Green Factory

General Office of the Ministry of Industry and Information Technology



Guangdong Provincial Green Supply Chain Management Enterprise

Department of Industry and Information Technology of Guangdong Province



Provincial Enterprise Technology Center

Department of Industry and Information Technology of Guangdong Province



2024 Liaobu Advanced Collective in Fire Safety Public Welfare

Liaobu Fire Safety Committee



2025 Top 100 Private Industrial Enterprises in Dongguan

People's Government of Dongguan (Organizing Committee for the Selection of Private Enterprises and Entrepreneurs in Dongguan)



Liaobu Outstanding Employer

Dongguan Liaobu Outstanding Employer Committee



2024 Liaobu Performance and Contribution Award (Foreign-owned Enterprise)

Liaobu Committee of the Communist Party of the PRC,
People's Government of Liaobu Dongguan



2024 Liaobu Advanced Principal Business Award

Liaobu Committee of the Communist Party of the PRC,
People's Government of Liaobu Dongguan



2024 Liaobu Outstanding Import and Export Enterprise

Liaobu Committee of the Communist Party of the PRC,
People's Government of Liaobu Dongguan



2024 Dongguan Non-Public Industrial Enterprises (Groups) Contribution Award

Dongguan Committee of the Communist Party of the PRC,
People's Government of Dongguan



2024 Top 20 Enterprises in Dongguan by Principal Business Revenue

Dongguan Committee of the Communist Party of the PRC,
People's Government of Dongguan



PRC Customs Trade Sentiment Survey Import Sample Enterprises

General Administration of Customs of the People's Republic of China



1 Foundation of Trust

Foundation of Trust

Corporate ESG Governance

The Company has established and continuously improved its ESG governance structure and taken various measures to integrate ESG into its actual operations. The Company maintains regular communication with stakeholders through diversified channels, identifies key issues based on materiality assessment, and guides the formulation of ESG strategies and allocation of resources, so as to promote the effective implementation of sustainable development strategies.

ESG Governance Structure

The Board has established a comprehensive ESG governance framework, integrated ESG management into its corporate governance system and delegated the day-to-day management of ESG matters, but retains final accountability to ensure that the Board and the management effectively fulfill their ESG regulatory responsibilities and promote the implementation of sustainable development strategies.

Three-level Governance Structure

Level	Institution	Responsibilities
Decision-making level	Board	To formulate and oversee ESG vision, strategies, policies and practices; to approve materiality issues and targets; to monitor ESG risks and opportunities; to coordinate with the ESG Promotion Centre to establish ESG-related targets and monitor the progress; to oversee the establishment and maintenance of a suitable and effective risk management system and to review ESG reports
Management level	ESG Promotion Center	To execute Board resolutions; to coordinate cross-departmental resources; to review risk registers; to prepare Board presentation materials; to collect and analyze ESG data
Execution level	ESG Taskforce	To implement carbon reduction and community projects; to facilitate the implementation of projects led by the ESG Promotion Center

ESG Integration into Corporate Governance

To ensure the in-depth integration of ESG management and corporate governance, the Company has established a multi-dimensional integration mechanism with a view to including ESG risks into the overall risk management framework of the Company for management along with financial risks and operational risks to ensure systematic and consistent risk identification and response. The Company clearly prioritizes climate-related risks over all other types of risks, giving them the highest priority in governance, strategy, risk management, as well as indicator and target setting. A regular reporting mechanism has been established, with our ESG Promotion Center reporting ESG progress to the Board on a regular basis and conducting in-depth featured reports at least twice a year. We continuously enhance professional competence by providing ESG-related training to senior management, covering the ISSB Standards, MSCI Ratings Methodology, due diligence on conflict minerals, and so on.

Remuneration incentives are linked to ESG: The annual remuneration packages of the Company's directors and senior management are subject to the consideration and resolution at the shareholders' meeting to ensure the scientific and reasonable nature of remuneration policy. The remuneration structure of directors and senior management is "annual basic salary + long-term incentives", which effectively combines the interests of shareholders, the Company and the targets of incentives. Sustainability-related targets (including key ESG indicators such as energy saving and emission reduction, production safety, conflict minerals management and employee training coverage) have been included in the performance considerations to ensure the realization of the Company's future development strategies and sustainability targets.

Communication with Stakeholders

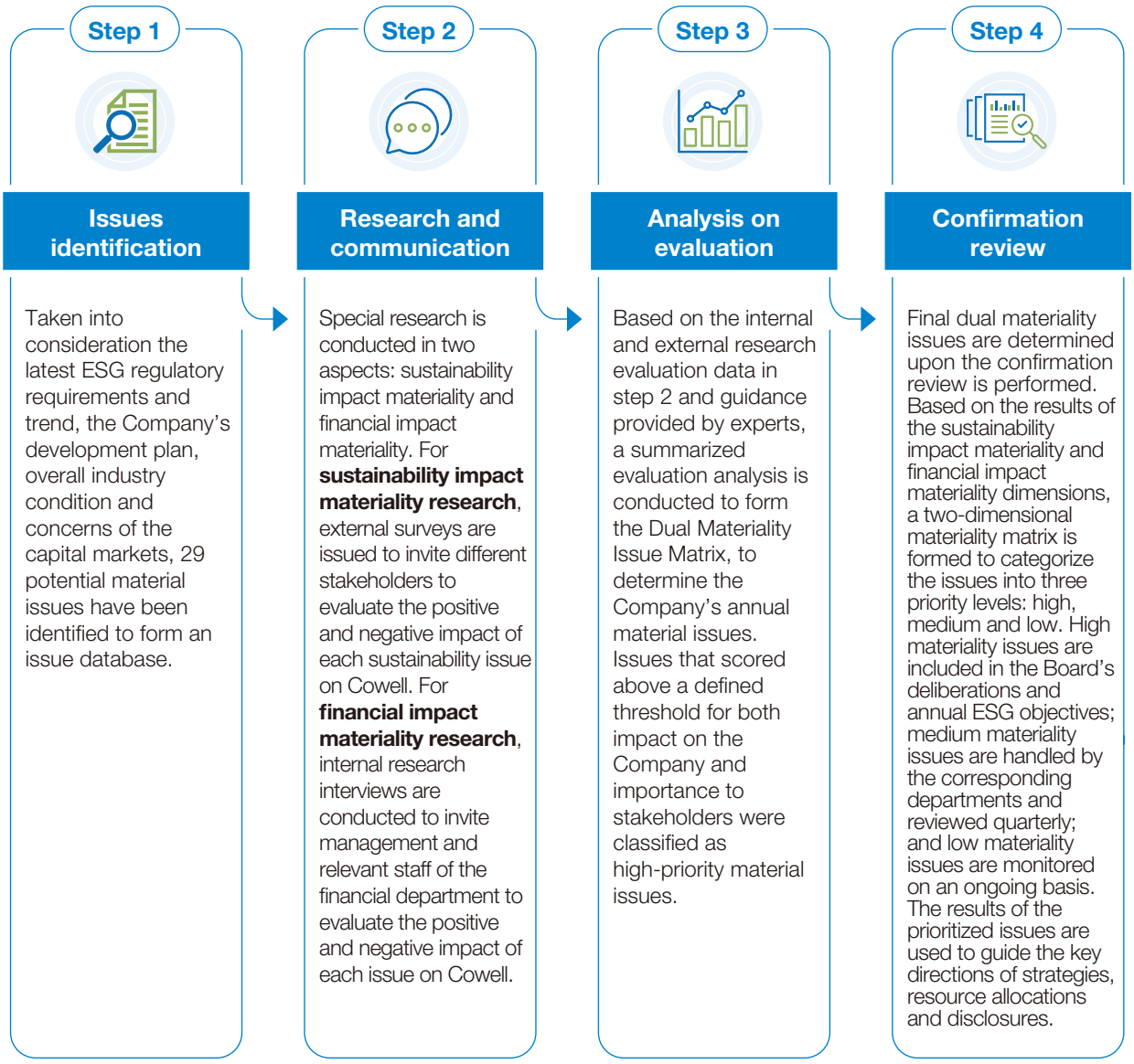
In order to systematically organize and identify substantive issues, we refer to relevant guidance and standards and national macro policies, combined with the Company's business characteristics and actual operations, and identify 8 types of major stakeholders. We consider the degree to which each group is affected by or capable of influencing the Company's operations and ESG performance. Through diversified engagement channels including surveys, regular meetings, dedicated communication platforms, onsite audits, and multi-channel information disclosure, the Company actively solicited feedback from each stakeholder group on their expectations and concerns. The results of this engagement were incorporated into the Company's dual materiality assessment process, whereby stakeholders evaluated the positive and negative sustainability impacts of each identified ESG issue, and those findings were used to prioritize material issues and guide the Company's ESG strategy, resource allocation, and disclosure focus. We continue to optimize the diversified communication system, to ensure the expectations and concerns of all parties are actively consolidated into the Company's strategic plans and management practices.

Type of Stakeholders		Issues of Concern	Communication Channels
	Government and Regulatory Authorities	Environmental management system, emissions management, water resources management, energy management, climate change response, employee rights protection, corporate governance, business ethics, information security and privacy protection	• under supervision • unscheduled communication and reporting • participation in related meetings • survey
	Shareholders and investors	Corporate governance, sustainability management, shareholder rights protection, risk management, environmental management system, energy management, climate change response, clean technology opportunities, renewable energy use, technological innovation	• multi-channels information disclosure • shareholders' meeting • telephone conference, email, etc. • survey
	Customers	Supply chain management, product quality, hazardous substance management, information security and privacy protection, customer service	• customer satisfaction survey • daily communication and regular meetings with customers • regular audit on customers • survey
	Suppliers	Circular economy, supply chain management, conflict mineral procurement, business ethics, information security and privacy protection	• supplier meetings • onsite audit • supplier trainings
	Employees	Employee rights protection, employee training and development, occupational health and safety, employee care, information security and privacy protection, chemicals safety management	• employee satisfaction survey • employee feedback • employee activities and trainings • employee communication meeting
	Industry Partners	Industry development, business ethics, information construction, automation construction, technological innovation	• industry exchange meetings • business communication visits • multi-channels information disclosure
	Community	Environmental management system, emissions management, water resources management, climate change response, community involvement	• multi-channels information disclosure • complaint hotline • survey • volunteering activities
	Public Media	Environmental management system, emissions management, water resources management, climate change response, renewable energy use, circular economy, community involvement, sustainability management	• multi-channels information disclosure • interviews • survey

Substantive Issue Analysis

Cowell combines the latest international disclosure standards and updated evaluation methods to conduct its dual materiality assessment. Based on the previous materiality assessments, a financial perspective is incorporated and perspectives of various departments and stakeholders are fully incorporated to comprehensively analyze the impact of ESG issues on the Company's finances, economy, environment and social aspects. In this report, we provide focused responses to 29 material issues.

Dual Materiality Assessment Method





High materiality issues	15	product quality	29	shareholder rights protection	2	emissions management
	13	supply chain management	17	information security and privacy protection	24	automation construction
	26	business ethics				
Medium materiality issues	9	employee rights protection	18	customer service	11	occupational health and safety
	6	clean technology opportunities	3	water resources management	27	compliance and risk management
	23	information construction	16	hazardous substance management	21	chemicals safety management
	1	environment management system	25	corporate governance	7	renewable energy use
	12	employee care	10	employee training and development	4	energy management
	20	technological innovation	14	conflict mineral procurement	28	sustainability management
Low materiality issues	22	industry development	5	climate change response	8	circular economy
	19	community involvement				

Business Ethics

The Company strictly complies with the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Prevention of Bribery Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong as well as other relevant laws and regulations, and has also formulated the "Rules on Labor and Ethical Risk Assessment" and adopted a zero-tolerance attitude towards bribery, extortion, fraud and money laundering. The Company has established a reporting mechanism to encourage employees and partners to report any misconduct through confidential channels. During the reporting period, there were no incidents of bribery, extortion, fraud or money laundering that had a significant impact on the Company resulting from violation of the relevant laws and regulations.

Establishment of the Anti-Corruption System

The Company has established a Disciplinary Committee under the direct supervision of the Chairman of the Board and the CEO. The Chairman of the Board regularly receives reports from the Disciplinary Committee and is directly accountable to the Board of Directors to ensure the standardized and efficient operation of the supervisory functions. The Company has officially released "Anti-bribery and Anti-corruption Policy Statement" on its official website, which is applicable to all employees and suppliers. Internally, the Company has formulated and implemented documents such as the "Social Responsibility Handbook" and "Ethical Policy" to control key areas of the Company and its employees, including ethics and integrity, declaration of conflict of interest and management of gift registration, etc., where key segments are reviewed by two personnel and approved by personnel of different ranks. At the same time, we have adopted a closed-loop approach to regulatory compliance through regular mechanisms such as verification of non-compliance reports, regular audits and specialized supervision.

- ***Implementation and accountability mechanism***

  The Company has established standardized channels for reporting non-compliance, and procedures for investigation and handling, which may strengthen system implementation and supervision, and pursue accountability for non-compliance to ensure the effective operation of internal control management.

- ***Regular audit program***

  The Company strictly complies with the relevant laws and regulations and internal systems on fair trade, integrity and self-discipline, anti-corruption, etc., and regularly conducts internal audits on corporate social responsibility, including the construction of professional ethics, every year. The audits cover all operational activities of the Company, including but not limited to procurement, sales, production, research and development, human resources and financial management, to ensure that the requirements of business ethics management are consistently applied to all aspects of the Company's operations.

- ***Specialized supervisory actions***

  The Company sends out monthly reminders on integrity and compliance to its employees, and carries out rapid response, specialized verification and closed-loop handling of all kinds of reports, so as to continuously strengthen the atmosphere of integrity and compliance.

During the year, there were no cases of corruption against the Company or its employees which had been concluded or were in the trial stage.

Whistleblowing Management and Whistleblower Protection

The Company has established a comprehensive whistleblowing management system to provide employees and stakeholders with safe, convenient and smooth whistleblowing channels, which encourages truthful reporting of all types of misconduct and malpractice, and strictly protects the legitimate rights and interests of whistleblowers.

- ***Whistleblowing channels and anonymous mechanism***

  The Company has launched multiple whistleblowing channels, such as hotline, e-mail and online reporting platform, to support anonymous whistleblowing to minimize reporting concerns and ensure timely reporting of information under the premise of fully protecting the privacy of whistleblowers.

- ***Whistleblower Protection and Discipline***

  The Company strictly protects the information of whistleblowers and the content of their reports, which are handled only by authorized personnel; any form of retaliation is strictly prohibited, and violators will be dealt with in a strict manner. Meanwhile, the Company will regularly monitor and assess the whistleblowing mechanism and pursue legal action against malicious reports, false slanders and defamation in accordance with laws and regulations to maintain the fairness and effectiveness of the whistleblowing mechanism.

  Report hotline: 13144861180
  Report e-mails: Justice@luxvisions-inno.com

Establishment of an Integrity Culture

The Company has been actively building a system of internal and external collaboration of integrity and compliance. On the basis of internal publicity and education, we deepen the construction of an integrity culture through case studies and themed lectures, etc. The Disciplinary Committee regularly distributes the "Integrity Notification Letters" to all employees to strengthen awareness of integrity and effectively prevent non-compliant behaviors. At the same time, we extend the compliance requirements to suppliers and partners, sign integrity cooperation agreements, strengthen integrity management in the supply chain, and form a compliance ecosystem with full participation, internal and external synergies, and joint compliance. The Company also launches specialized training in business ethics for all employees (including contract employees and part-time employees)* to continuously promote the principle of integrity and compliance and to enhance professional ethics and compliance awareness of all employees.

100% pass rate of the employee behavioral standards examination (including anti-corruption and business ethics content)

Coverage rate of anti-corruption training for employees is 100%

* Cowell did not hire part-time employees in 2025.

Deepening the construction of integrity culture to safeguard the high-quality development of the Company

On October 15, 2025, the Disciplinary Committee of the Group, in conjunction with the Yonghe Police Station of Huangpu District, successfully organized the 2025 "Anti-Corruption and Integrity Promotion" themed educational activities. The training adopted the "online + offline" mode, and was attended by more than 120 participants, including the directors of Cowell and the employees at managerial level or above and personnel in sensitive positions of Dongguan Cowell Optic Electronics Co., Ltd (東莞高偉光學電子有限公司) ("**Dongguan Cowell**"), Dongguan Luxsense Innovation Electronics Limited (東莞立騰創新有限公司) ("**Luxsense**") and Dongguan Shiyuan Photoelectric Technology Co., Ltd. (立高光學(東莞)有限公司) ("**Shiyuan**"), subsidiaries of Cowell.





Trade Secrets Protection

Cowell attaches great importance to the protection of trade secrets and considers it as the foundation of the Company's core competitiveness. Employees are required to sign "Employment Contracts" and "Confidentiality Undertaking Letter" when they join the Company, requiring all employees to strictly observe the confidentiality rules during employment and after resignation, so as to protect the information security of the Company and third parties.

- ***Confidentiality obligations during tenure***

  During their tenure, employees shall bear the obligation of maintaining the confidentiality of all production and operation-related data and trade secrets of the Company, and are strictly prohibited from divulging, transmitting, or providing confidential data and information to any external units, individuals, or internal personnel unrelated to the confidential information without the written authorization and permission of the Company.

- ***Confidentiality management after resignation***

  Upon termination of employment with the Company, employees shall immediately return or destroy all work materials, data, documents and carriers of confidential data as required by the Company, and undertake to continue to bear such obligation of confidentiality with respect to the Company's trade secrets and confidential information that they have learned of during their tenure, until such information has been officially declassified by the Company or has been legally disclosed.

- ***Protection of trade secrets of customers and third parties***

  In the course of performing their duties, employees shall not infringe upon the trade secrets and intellectual property rights of any customers and third parties, and are strictly prohibited from using the undisclosed technical information, business information and commercial data of customers and third parties for the Company's business operations, so as to ensure that all of the Company's business activities are carried out legally and in compliance with laws.

Information Security

The Company has always taken privacy and data security as its core responsibility, and has formulated internal manuals and procedures such as "Data Security Management Procedures", "Network Security Management Procedures", "Information Security Incident Management Procedures", "Related-Parties Information Security Management Procedures", "Information Security Change Management Procedures", etc., to fully protect the personal information of customers, employees and business partners and to build a security protection system that covers the entire scenario of terminals, networks, servers and data, so as to build a strong defense for privacy and data security.

System Establishment: Building a Standardized Compliance System

We continuously improve the framework of privacy and data security system, clarify the management requirements for the full life cycle of data collection, storage, usage, transmission and destruction, and implement differentiated protection strategies for different levels of data, ensuring the usage and transmission of data, management of privacy and data security are regulated by protocols and supported with lawful basis. At the same time, system design is fully aligned with international standards and industry norms, such as ISO27001 information security certification, AEO advanced customs certification, as well as our customer supply chain PIR (Supplier Infrastructure) and AIS (Information Security) audit requirements, to ensure that compliance management is in line with international standards.

Technological Protection: Building a Strong Security Barrier with Multi-dimensional Protection

We have constructed a security protection system that covers the entire scenario of terminals, networks, servers and data. At the terminal level, anti-virus checking, vulnerability repair, strong password policy and access authentication are implemented; at the network level, two-factor authentication is enabled, defense and detection systems are deployed, zero-trust remote office is upgraded, and vulnerability scanning is optimized; at the server level, patches are regularly updated, the principle of minimization is followed, and access is controlled and data is backed up through the jump server; at the data level, encrypted storage is used and under strict control, non-compliant media and tools are disabled, and watermark protection and operation logs are enabled to secure security in all aspects.

Employee Training: Strengthening Safety Awareness of All Employees

We establish a regular training and assessment mechanism, incorporate data privacy and information security training into induction training for newcomers and quarterly staff training. We regularly conduct specialized data privacy trainings, covering core modules such as anti-phishing, anti-racketeering and data protection specifications. At the same time, we regularly update the information security question database, improve the quarterly information security assessment mechanism for all employees, organize at least one company-wide phishing exercise every year, and strengthen employees' sense of safety responsibility through case sharing, announcements, and other forms of publicity. We propel the formation of a good atmosphere where "safety is important to everyone, and safety is emphasized in everything".

Emergency Response: Enhancing Risk Management Capabilities

We have established a comprehensive data leakage contingency plan, which stipulates the key processes of incident detection, assessment, containment, eradication and recovery. We continue to improve the standard operating procedures of emergency response drills for networks, systems and databases. Through regular emergency response drills, we enhance our team's ability to respond quickly and efficiently to security threats, ensuring that we can respond in an orderly manner and minimize losses in the event of an unexpected security incident. In 2025, the Company successfully identified and responded to 6 phishing attacks, certifying the effectiveness of its defense mechanisms.

100% coverage of information security training for employees
0 incident of data security



Investors' Interests

Since its listing, Cowell has always considered the **protection of investors' interests** as one of the core tasks of corporate governance. The Company adheres to the bottom line of compliant operation and strictly complies with the relevant requirements under various laws and regulations, normative regulatory documents and the Articles of Association of the Company. Taking into account the actual daily operation of the Company, the Company continues to optimize and implement a specific investor relations management system, steadily building up an investor interests protection system with clear rights and responsibilities and efficient operation. By establishing smooth and transparent two-way communication, the Company will continue to improve its corporate governance structure, safeguard the legitimate rights and interests of investors, promote the formation of a long-term, stable and harmonious symbiotic relationship between the Company and all investors, so as to help the Company achieve sustainable and robust development.

- **Investors' communication channels**

  The Company has established diversified, full-coverage and standard investor communication channels to protect investors' rights to information, participation and supervision. The core communication channels include:

  Regular report disclosure: We prepare and publish annual and interim financial reports and annual ESG reports on a timely basis, and make public the Company's operating results, governance and progress of sustainable development;

  Offline and online interaction: We hold shareholders' meetings in accordance with our articles of association and regulations and organize regular online and offline investor interactive meetings to respond directly to investors' concerns;

  Dedicated communication channel: A dedicated mailbox for investors has been set up, and a designated person is responsible for responding to investor inquiries and feedback to secure smooth and efficient communication;

  Compliance information disclosure: We disclose information subject to mandatory disclosure requirements pursuant to the applications of laws and regulations including the Listing Rules, and material operational and governance-related information in a timely and accurate manner through the Company's official website and a designated announcement platform to ensure that information is open and transparent.

- **Information disclosure mechanism**

  The Company adheres to the core principles of truthfulness, accuracy, completeness, timeliness and fairness in information disclosure, and has established a standardized and well-functioning information recording and disclosure control process. The Company comprehensively and accurately records various types of core information on its business operations, labor rights protection, occupational health and safety, environmental management practices, etc., and discloses information to all stakeholders in an honest, transparent and standardized manner and in strict accordance with the regulatory requirements and applicable rules, safeguarding the authenticity, completeness and traceability of the disclosed information throughout the process, and constantly enhancing the transparency of the Company's operations and the credibility of its governance.



2 Green and Low-carbon Development

Green and Low-carbon Development

Environment Management System

Cowell strictly complies with the Environmental Impact Assessment Law of the People's Republic of China, the Regulations of the People's Republic of China on Nature Reserves and other relevant laws and regulations. In accordance with the requirements under the ISO14001 Environmental Management System, we have established a comprehensive environmental management system and ensured its standardized and effective operation. Concurrently, we have formulated the "Quality, Environment, Occupational Health and Safety and Energy Management Manual", which stipulates the core requirements and implementation standards for environmental management, and is committed to minimize negative impacts on the ecological environment and natural resources throughout its entire business chain. As of the publication of this report, the ISO14001 third party certification rate of the Company and its subsidiaries reached 100%, ensuring all operating entities comply with international environment management standards.

Prior to selecting sites and constructing new projects, we conduct environmental impact assessments to identify potential ecological risks and develop mitigation measures. During the reporting period, our operations did not have any adverse impacts on the surrounding ecological environment or natural resources.

ISO14001 System Certification



Dongguan Cowell



Luxsense



Shiyuan

Climate Change

The Company closely monitors developments in laws and regulations related to climate change, including the Climate Action Plan 2050 and relevant regulations governing the mainland's carbon trading market, and has established mechanisms for identifying, assessing and addressing climate risks. We have incorporated climate considerations into our business decision-making processes and enhanced climate resilience through energy conservation, emissions reduction, the use of renewable energy and supply chain collaboration. During the reporting period, we have completed our required greenhouse gas emissions accounting and begun preparing for potential future carbon credit trading.

Governance

The Company has established a three-tiered climate governance structure comprising “board oversight + management execution + departmental implementation”, which stipulates the division of responsibilities for climate management and ensures the effective implementation of climate-related decisions. The Board bears ultimate responsibility for climate risk management and low-carbon development strategies, and regularly reviews climate risk assessment reports, low-carbon development targets and performance status; the management leads the development of climate response strategies, emission reduction targets and implementation plans, and coordinates cross-departmental efforts to implement these initiatives; the ESG governance department, in collaboration with the EHS, facilities, production, supply chain and finance departments, have established a dedicated climate management team responsible for daily greenhouse gas accounting, implementing emission reduction initiatives, monitoring risks, disclosing data and ensuring compliance with regulatory reporting requirements. This establishes a climate governance system characterized by a top-down approach, clear delineation of responsibilities and closed-loop management.

Board members receive at least 8 hours of climate-related training annually, covering ISSB standard interpretation, TCFD scenario analysis methodology and climate risk management practices in the industry; the above training is provided by external professional institutions or internal EHS experts, and the training hours and assessment results are recorded to ensure that the professional knowledge and experience of the relevant personnel can effectively support our climate governance decisions.

Strategy

Taking into account the characteristics of the camera module manufacturing industry, our business structure, the useful life of our assets and market trends, the aforementioned climate management team comprehensively identifies and assesses climate-related risks and potential opportunities. The climate management team analyzed the specific impacts of these factors on our business model, operational strategy, financial planning, supply chain stability and market competitiveness in the short term (2026-2030), medium term (2031-2040) and long term (2041-2050). These definitions are aligned with the Company's strategic planning cycles and capital investment decision-making horizons, taking into account the useful life of the Company's core production assets, the typical duration of customer engagement cycles, and the pace of regulatory and technological change in the electronics manufacturing industry. In determining these time horizons, the Company has also considered the macro market environment, including evolving carbon pricing mechanisms, the trajectory of national and international climate policies, and the expected timeline for the transition to a low-carbon economy, to ensure that its climate risk assessment reflects factors that could reasonably be expected to affect the Company's business, financial condition and prospects over each respective period. Based on such analysis, the climate management team develops targeted, differentiated response strategies and extensively integrates climate goals with the overall development strategy of the Company. The Company has considered trade-offs associated with those risks and opportunities.

Climate-related Risks and Opportunities List

For the year ended 2025, we completed climate-related scenario aligning with TCFD recommendations. This assessment assessed our climate resilience and identified the below climate-related risks and opportunities impacting our respective operations.

Risk/opportunity types	Main categories	Specific risks/categories	Time span
Physical risk	Acute physical risk	Intensified typhoons/floods	Short term
		Frequent extreme heat	Short term
	Chronic physical risk	Increase of average temperature	Medium to long term
		Water resource shortage	Medium to long term
		Rising sea level	Long term
Transitional risk	Policy and legal risk	Carbon tariffs/carbon tax policies	Short term/medium term
		Stricter energy efficiency standards	Medium term
		Stricter ESG information disclosure requirements	Short term
	Technological and market risk	Low-carbon transition in downstream demand	Short term/medium term
		Alternative raw material pressure	Medium term
		Reputation risk	Short term
Climate opportunity	Resource efficiency and energy opportunity	Optimization of energy structure	Short term/medium term
		Innovation in manufacturing process	Medium term
		Water-saving process	Short term
	Product and service opportunity	Products for all-weather/ extreme environment	Short term/medium term
		Lightweight and low-carbon designs	Short term
		Solar energy/low-power solutions	Medium term
		Machine vision	Medium to long term
	Supply chain resilience opportunity	Localized suppliers	Medium term

Save as disclosed above, the Group currently does not have sufficient skills, capabilities and resources to precisely identify and quantify other amount or percentage of assets or business activities exposed to climate-related risks or aligned with climate-related opportunities, and the Group is developing further and additional methodology to enhance disclosures in future reports and will continuously enhance its expertise and capabilities or engage relevant experts to assist with the review and analysis if needed.

Our climate-related risks are primarily concentrated in our manufacturing facilities in the PRC, which are vulnerable to both physical risks such as extreme weather events and transition risks from evolving regional emissions policies. Opportunities related to the development of energy-efficient products are concentrated within our R&D centres.

Risk Management

The Company has established a routine climate risk monitoring and management mechanism. Using a combination of qualitative and quantitative methods, we conduct a comprehensive climate risk assessment once a year, dynamically update the risk inventory and the severity of impacts, and develop specific contingency plans for high-priority risks. For acute physical risks such as typhoons and floods, we improve infrastructure at our production sites, including flood and wind protection measures and emergency power supply systems, establish emergency response procedures for extreme weather, and conduct regular emergency drills to ensure the safety of our personnel and assets; for chronic physical risks, we plan ahead for water resource reserves and upgrade energy-efficient cooling technologies to mitigate the impact of long-term environmental changes. To address transitional risks, we closely monitor updates to domestic and international climate policies, preemptively plan for carbon reduction, green certification and the development of low-carbon supply chains, and proactively adapt to policy and market requirements. Meanwhile, we seize climate-related opportunities to increase our investment in the research and development of green technology and the application of renewable energy, converting these opportunities into our core competitive advantage.

The Company is currently unable to provide a precise quantitative assessment of the financial impact of climate-related risks and opportunities. The major difficulty lies in: the high degree of uncertainty around key variables such as carbon price trend, the frequency and severity of extreme weather events, and changes in customers' low-carbon preferences, as well as the lack of sufficient historical data to support model calibration. In addition, the climate impacts extend well beyond the Company's regular financial forecast cycle in terms of timeframe, and some of the transmission pathways (e.g., supply chain carbon cost pass-through, downstream demand fluctuations) involve complex external factors that are difficult to be solely attributable to a specific one. As an alternative, the Company has used qualitative descriptions in this section in conjunction with implemented capital expenditure projects (e.g., energy-saving retrofits) to demonstrate to stakeholders the Company's substantive actions to address climate risks and capitalize on climate opportunities. The Company will gradually supplement the quantitative disclosure in subsequent reports as data accumulation and analysis capabilities improve.

The Company has established a climate risk management, supervision and evaluation mechanism, incorporating emission reduction results and risk control metrics into the performance evaluations of relevant departments. The management and the Board regularly receive reports on the progress of climate management, in order to ensure that risk management measures are effectively implemented and to comprehensively mitigate major climate-related risks.

In response to the climate-related risks and opportunities, the Company has begun to adapt its business model and resource allocation. The Company is progressively increasing capital expenditure on energy-efficient production equipment, expanding on-site renewable energy generation and procuring green electricity and green credits. The Company is also integrating climate considerations into its supply chain by prioritizing localized, low-carbon suppliers, and investing in R&D for lightweight, low-carbon product designs to meet growing downstream demand for environmentally responsible products. These transition plans are premised on key assumptions, including the continued availability and affordability of renewable energy in the Company's operating regions, the stability of the PRC's evolving carbon trading and emissions regulatory framework, and sustained customer demand for low-carbon products. Changes to any of these assumptions could materially affect the pace and scope of the Company's transition plans. During the reporting period, the Company took substantive steps to implement these plans. The Company will continue to advance these activities and report on further progress in subsequent ESG reports.

Index and Targets

The Company strictly adheres to the requirements under the ESG Code by disclosing key greenhouse gas emission metrics, establishing quantifiable emission reduction targets, continuously monitoring performance status, and facilitating the implementation of emission reduction initiatives. During the reporting period, the greenhouse gas emission data is as follows (unit: tCO_2e):

Scope 1 (direct emissions, including stationary combustion sources, mobile sources and process emissions)

Emission in 2025

2,531.41 tCO_2e

Scope 2 (indirect emissions, including indirect emissions from purchased electricity and steam)

Emission in 2025

71,115.85 tCO_2e

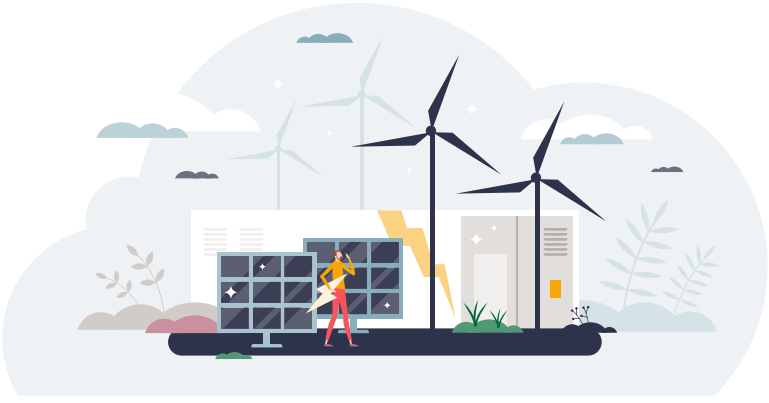
Total of scope 1+2

Emission in 2025

73,647.26 tCO_2e

The Company confirms that the scope 1 and scope 2 GHG emissions data disclosed in this report have been measured and accounted for in strict accordance with the "Greenhouse Gas Protocol:A Corporate Accounting and Reporting Standard, 2004". For the definition of organizational boundaries, we adopt the operational control rights approach; for the identification and quantification of emission sources, we prioritize the direct monitoring approach, followed by the emission factor approach, with emission factors sourced from authoritative organizations such as CLP Power Hong Kong, the Ministry of Ecology and Environment of the PRC, and Defra of the United Kingdom. The data disclosed in this reporting period differs from the data disclosed last year in terms of calculation method and statistical caliber, and is certainly not comparable with the data of previous years.

The target applies to the Company and the subsidiaries covered in this report. The target period runs from 2025 to 2028, with 2025 as the base period from which progress will be measured. The Company plans to set interim milestones in 2026 and 2027 to track progress. The target objective is climate change mitigation, and it conforms with the goals of the Paris Agreement to limit global temperature increases. The Company is currently not required by law or regulation to



meet any specific greenhouse gas emissions target, but has set this target on a voluntary basis in anticipation of evolving regulatory requirements. To achieve this target, the Company is taking the following steps: expanding on-site renewable energy generation, increasing the procurement of green electricity and green credits, phasing out energy-intensive equipment, and optimizing production processes and logistics. The target and underlying methodology have not yet been validated by a third party; the Company intends to seek external validation once its GHG emissions accounting framework is fully operational. The Board reviews progress towards climate-related targets on an annual basis. No revisions have been made to the target since it was first set. As the Company has not yet established a verified emissions baseline, quantitative performance data against the target is not available for the current reporting period and will be disclosed in future reports as the Company's measurement capabilities mature.

The Company is currently unable to disclose location-based Scope 2 emissions, as it does not have access to verified, up-to-date grid emission factor data from local utility providers in the PRC, and has not entered into any contractual instruments that would require a separate market-based Scope 2 disclosure. The Company is also unable to disclose Scope 3 emissions due to the difficulty of obtaining reliable primary data from its value chain partners, many of whom do not currently measure their own emissions, and the lack of standardized industry-specific emission factors for certain categories. The Company will address these gaps and expect to disclose further location-based Scope 2 and Scope 3 emissions data in future reports.

Medium to long term greenhouse gas emission target: We plan to achieve carbon neutrality for our internal use by 2028.

Optimize Resources Utilization

The Company strictly complies with the Energy Conservation Law of the People's Republic of China, the Renewable Resources Law of the People's Republic of China, the Energy Efficiency (Labelling of Products) Ordinance of Hong Kong and other relevant laws and regulations, and has formulated the "Rules on Energy and Resource Management", striving to improve our energy, water resource and material efficiency. We encourage the use of energy-efficient technologies and equipment, promote water resource recycling, and prioritize the procurement of environmentally friendly materials. All new construction and renovation projects are required to undergo a resource efficiency assessment. In 2025, we completed energy audits at our major production sites, with all indicators meeting regulatory requirements.

Energy Utilization Management

With "energy conservation, reduced consumption, green energy use, and structural optimization" as our core objectives, the Company adheres to the requirements under the ISO50001 Energy Management System standard to achieve standardized and refined control throughout the entire energy management process. Meanwhile, we implement comprehensive energy conservation measures in both production and office operations to establish a highly efficient, low-carbon energy consumption structure. In terms of production, we have completely phased out outdated, energy-intensive equipment, while promoting the use of energy-efficient equipment such as energy-saving motors, high-efficiency air compressors, LED lighting and variable-frequency control systems, optimizing the operating parameters of production equipment and production schedules and reducing energy consumption caused by idle equipment. In offices, we fully implement energy-saving measures such as paperless offices, smart air conditioning temperature control, energy-efficient elevator management and turning off lights when not in use, while strictly controlling non-production-related energy consumption. At the same time, in accordance with the requirements for the implementation of the system, we vigorously expand the use of renewable energy, continuously increase the proportion of green electricity procured and used, gradually reduce reliance on fossil fuels, and comprehensively implement the requirements for energy efficiency and low-carbon transition.

Obtaining ISO50001 Energy Management System Certification

To further standardize, refine and enhance the efficiency of energy management, and to support the Company's efforts in energy conservation, consumption reduction and low-carbon transition, in 2025, the Company made every effort to establish and obtain the certification for the ISO50001 energy management system. In strict compliance with international energy management standards, we have established a comprehensive system covering energy consumption monitoring, energy efficiency management and energy-saving improvements, and have successfully obtained certification from third-party authority. This certification covers the Company's core production facilities and all aspects of its energy management processes, marking a new phase of internationalization and standardization in the energy management of the Company, laying a solid foundation for continued efforts to reduce energy consumption, optimize our energy mix and achieve carbon emission reduction targets.


能源管理体系认证证书

兹证明

东莞高伟光学电子有限公司

建立的能源管理体系符合标准

GB/T 23331-2020/ISO50001:2018;RB/T101-2013

发证日期 2025/04/27　有效日期至 2028/04/26　首次发证 ******　换证日期 ******

华测认证有限公司



The Company continues to calculate its comprehensive energy consumption and intensity, accurately tracking the structure and utilization efficiency of various energy types, which fully reflects the effectiveness of energy use management. The detailed statistics are as follows:

Purchased electricity

Equivalent tonnes of standard coal
19,778.54

Percentage
98.24%

Consumption in 2025
160.93 million kWh

Natural gas

Equivalent tonnes of standard coal
307.24

Percentage
1.53%

Consumption in 2025
231,004.00 m^3

Gasoline/diesel

Equivalent tonnes of standard coal
46.75

Percentage
0.23%

Consumption in 2025
39,510.99 L

Total

Equivalent tonnes of standard coal
20,132.53

Percentage
100%

Consumption in 2025
—

In accordance with the requirements under the ISO50001 energy management system, the Company has established clear energy efficiency improvement targets and developed phased implementation measures tailored to both production and office environments, in order to ensure that annual energy-saving goals are manageable and achievable. The specific targets and implementation plans are as follows:

- **Medium to long term target**: We will continue to optimize our energy mix, significantly increase the share of renewable energy by 2030, and steadily reduce energy consumption per unit of output.
- **Annual target**: By 2026, the energy consumption per unit revenue will decrease by 1% as compared to that of 2025.

- **Implementation procedures**: We will fully adopt LED energy-efficient lighting in all production workshops and office areas, achieving full coverage of energy-efficient lighting; optimize the variable-frequency control modes of the air conditioning and ventilation systems at our production base to improve energy efficiency in cooling and heating and reduce energy losses in the air conditioning system; conduct specialized training on energy conservation for all employees, promote standard operating procedures for energy conservation, and establish an incentive and disciplinary system for energy conservation; expand the scale of our photovoltaic projects, increase the procurement of green electricity, and further raise the share of renewable energy consumption.

Key Energy-saving and Consumption Reduction Initiatives in 2025

Name of project	Background of project	Content of project	Energy-saving benefits
CDA leak detection	During operation, air leaks in compressed air systems tend to worsen over time due to aging pipes or loose connections, resulting in significant energy waste.	Develop and implement an ongoing maintenance plan for the compressed air system. Use an ultrasonic leak detector for leak detection and repair of pipe joints, fittings, and various types of valves (such as drain valves, solenoid valves, ball valves, filters and relief valves).	Reduce electricity consumption by close to 70 MWh/year
Improvements to the 20°C cooling water system for US equipment in the FOL workshop in Southern China	The US equipment previously relied on two separate 39 kW air-cooled chillers to supply 20°C cooling water, resulting in high energy consumption. We now consolidate the system by utilizing idle equipment in the workshop and existing cooling tower resources to reduce operational energy consumption.	A 77 kW water-cooled chiller (repurposed from the old Cowell factory) is used to supply 20°C cooling water to the US equipment. To reduce costs, the cooling water system for this chiller is connected to the workshop's existing air conditioning cooling tower, eliminating the need for a new cooling tower.	Reduce electricity consumption by approximately 200 MWh/year
Replacement of energy-saving pumps in Southern China	The chilled water circulation pump within the factory premise undergoes energy-saving retrofit, with an aim to reduce electricity consumption and operation costs. This is part of the EEP project.	The existing conventional chilled water circulation pumps are replaced with high-efficiency, energy-saving pumps, and the motors are upgraded to class 2 energy efficiency models (class 1 energy efficiency models are not selected due to cost considerations). At the same time, the operating mode is optimized by reducing the number of pumps running in parallel from five to three to eliminate "vortex" phenomena in the piping and improve delivery efficiency. Every effort is made to minimize the impact on production during the project implementation. Impact on production has been minimized during project implementation.	Reduce electricity consumption by approximately 1,900 MWh/year
Improvements to the pure water cooling system in Southern China	The temperature of pure water in Southern China was originally controlled by an 18 kW chiller unit. This equipment has been in service since 2012 and has now severely deteriorated, performing poorly. It requires major repairs every two years on average, resulting in persistently high operating and maintenance costs.	Technological upgrades are implemented to the aging pure water cooling system, replacing the existing chillers that are energy-intensive and require high maintenance costs, in order to improve system operational stability and energy efficiency.	Reduce electricity consumption by approximately 100 MWh/year

Water Resources Consumption Management

The water supply for production and operation of the Company primarily comes from the municipal water system. Water is mainly used for production cooling, workshop cleaning and domestic use for employees. For key areas of water consumption, the Company has fully implemented water-saving technological upgrades and water recycling systems. During the reporting period, the Company did not experience any significant issues in sourcing water that is fit for purpose for its operations. The Company has installed a cooling water recycling system that recovers, treats and reuses cooling water, thereby significantly reducing the amount of fresh water consumed; conduct regular inspections of the water supply network, promptly repair leaks and prevent water resource waste; replace fixtures such as water-saving taps and toilets to improve water conservation in offices; establish a dynamic water usage monitoring mechanism to track water consumption by region and process, and implement precise control over water usage.

Annual Statistics and Intensity of Total Water Consumption

Municipal water supply

Water consumption in 2025 (m^3)

659,435

Main usage: Production cooling, workshop cleaning and domestic use for employees



To continuously improve water use efficiency and implement water conservation management requirements, the Company has formulated quantifiable water conservation targets and practical measures based on actual production and operational conditions, thereby establishing a closed-loop management mechanism. The detailed plan is as follows:

Annual control target: By 2026, the water consumption per unit revenue will decrease by 1% as compared to that of 2025.

Core initiatives:

- Upgrade the cooling water recycling system to increase the cooling water recycling rate to over 90%, thereby minimizing the use of fresh water;
- Fully replace outdated plumbing fixtures in office and living areas, install water-saving fixtures throughout the facility, and strictly control waste of water for domestic use;
- Establish a mechanism for monitoring monthly water usage data and analyzing anomalies, and routinely investigate issues related to pipeline leaks and unauthorized water use;
- Implement a tiered water recycling system for workshop cleaning, optimize water usage processes, and reduce the amount of fresh water consumed per use.

Material Consumption Management

The Company focuses on the raw material for camera module production and packaging material. By implementing the management principles of "reduction, recycling and sustainability", we prioritize the procurement of eco-friendly, low-toxicity or non-toxic, and recyclable raw materials, optimize product designs, and minimize the generation of scrap materials during production. We strictly control the consumption of packaging materials, promote simple, recyclable packaging designs; gradually replace single-use, non-biodegradable packaging materials; establish a system for the recycling and reuse of packaging materials, and reduce material waste and environmental impact.

In accordance with ESG disclosure requirements, the Company implements full-lifecycle management of product packaging materials, accurately tracks the total volume of various packaging materials consumption and the amount of materials consumed per unit of product, strictly prohibits excessive packaging, and accelerates the transition to eco-friendly packaging alternatives. Statistics on the use of relevant packaging material are as follows:

	2025	2024	2023
Packaging materials consumption (tonnes)	**1,318**	966	445

Note: The increase in packaging materials consumption was due to the expansion of production capacity in 2025.

Enhance Emission Management

The Company is committed to reduce the environmental impact of our operation, and strictly complies with the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Waste Disposal Ordinance of Hong Kong and other relevant laws and regulations that have material impact on the issuer, and formulated the "Rules on Solid Waste Management", "Rules on Exhaust Gas Management" and "Rules on Wastewater Management", which specify the standards and requirements on exhaust gas emission, wastewater management and solid waste management. We prioritize the use of clean production technology, and routinely monitor all emission sources.

As at the date of this report, the Company has not applied an internal carbon price in its decision-making processes, nor does it currently use a price per metric tonne of greenhouse gas emissions to assess the costs of its emissions. The Company will continue to monitor developments in carbon pricing regulations and market practices, and will consider adopting an internal carbon price as its GHG emissions accounting framework matures.

In 2025, the Company has not experienced any significant violations related to environmental emissions, nor has it received any notices of penalties from environmental regulatory authorities.

Solid Waste Disposal Management

In accordance with the principles of "categorized management, compliant disposal, and recycling", the Company classifies solid waste generated from production and operations into two main categories, hazardous solid waste and non-hazardous solid waste, and implements differentiated closed-loop management. For hazardous solid waste, we strictly enforce regulations governing the full-process management of hazardous solid waste, maintain detailed records of transportation and disposal throughout the entire process, and ensure that all hazardous solid waste is disposed of exclusively by legally licensed professional organizations to eliminate the risk of illegal disposal; for non-hazardous solid waste, we have established a system for sorted recycling and resource recovery to maximize recycling rates, reduce the volume of waste sent to landfills, and minimize negative environmental impacts.

The Company simultaneously implements the plans for treatment of hazardous solid waste and the sorting, recycling, and resource recovery of non-hazardous solid waste, accurately tracking the total volume of waste generated, the amount recycled and the overall recycling rate, thereby effectively reducing the volume of waste sent to landfills. Relevant statistics are as follows:

	2025	2024	2023
Hazardous solid waste (tonnes)	**30.49**	34	30
Non-hazardous solid waste (tonnes)	**2919**	1497	841
Recycle rate	**97.53%**	97.24%	93.66%

Based on the core requirements for greenhouse gas management and waste reduction, the Company has formulated quantifiable emission and waste reduction targets based on its medium-to long-term low-carbon development plan, established a routine progress tracking mechanism and implemented a series of key measures to ensure the achievement of these targets. The specific plans and implementations are as follows:

Disposal principle of hazardous solid waste: All electronic waste and hazardous solid waste is disposed by recyclers with valid hazardous solid waste operation permits. We prioritize environmentally friendly processes that enable resource recovery and precious metal extraction, implementing closed-loop management throughout the entire process to eliminate secondary pollution and environmental risks.

Solid waste reduction and recycling target: Reduce annual waste emissions per unit of output by 2%

Core solid waste reduction initiatives: We fully implement paperless office operations and digital management, completely replace paper-based consumables across the organization, and reduce the generation of paper waste; establish a standardized waste sorting and recycling system in the workshop and office areas, provide designated recycling stations in specific zones, assign dedicated staff to oversee proper sorting and disposal, and improve the accuracy of waste sorting; promote the internal recycling and reuse of production waste, optimize raw material recycling processes and improve the overall utilization rate of raw materials; develop internal recycling programs for auxiliary waste to reduce the purchase of auxiliary materials and supplies and increase recycling rates.

Implement zero waste landfill policy for solid waste to achieve high resource recycling rate

Driven by both our clients' high standards and our own sustainability goals, the Company launched the development of its waste management system in 2018, fully implementing a policy of zero waste landfill and standardized incineration. As of 2025, the system has been operating stably for seven years, forming a comprehensive closed-loop waste management model that has achieved zero waste landfill for seven consecutive years and maintained a resource recycling rate of over 90%.

Wastewater Discharge Management

The production wastewater of the Company mainly comes from workshop cleaning wastewater and cooling wastewater, while domestic wastewater mainly comes from domestic wastewater generated from employees' daily office activities. All wastewater is sorted and collected in accordance with environmental protection requirements and pre-treated before discharging into the municipal sewer system or sending to specialized treatment facilities in strict compliance with wastewater discharge concentration standards. We conduct regular monitoring of wastewater quality to ensure that discharges meet regulatory standards. There was no discharge of wastewater exceeding regulatory limits, illegal discharge, leakage, or other violations. Subsequently, we will continue to optimize our wastewater treatment processes, increase the share of reused wastewater and further reduce the environmental impact of wastewater discharge.

Exhaust Gas Emission Management

The Company has established a comprehensive monitoring and control system for all types of air pollutants generated during production and operations, with a focus on key pollutants such as nitrogen oxides (NO_x), sulfur oxides (SO_x), volatile organic compounds (VOCs) and particulate matter (PM). We are equipped with specialized exhaust gas collection and treatment equipment to ensure that emissions meet regulatory standards before being discharged. In particular, volatile organic compounds (VOCs) are seen as a key indicator for environmental management, for which the Company has established a dedicated monitoring and governance system. In 2025, there were no instances of excessive exhaust gas emissions throughout the year, showcasing the success of our emission control effort.

Emission types (unit: tonnes)	2025	2024	2023
Nitrogen oxides (NO_x)	**0.000492**	0.275	0.209
Sulfur oxides (SO_x)	**0.00186**	0.0024	0.00162
Volatile organic compounds (VOCs)	**0.0694**	0.1125	0.1029
Particulate matter (PM)	**0.00072**	0.000114	0.000018

Other Emission Management

The Company strictly controls noise, light pollution and other environmental factors. Our production base uses low-noise equipment and is equipped with noise-reduction measures to ensure that noise levels within the premise comply with regulations; with dedicated team conducting weekly inspections; standardize the management of workshop lighting and process lighting to reduce light pollution; strictly control the storage and use of chemicals, establish emergency response plans for chemical spills, eliminate environmental risks caused by chemical leaks, and fully achieve compliant, green and low-carbon operations. In 2025, there were no complaints regarding noise, light pollution, chemical spills or similar issues.

Clean Production

The Company regards clean production as a key driver of green and low-carbon development, extensively integrating it into product lifecycle management. We see clean technologies and green processes as key growth opportunities for the Company's high-quality development, continuously investing in research and development with a focus on the development of green products and processes characterized by low energy consumption, low material consumption and minimal environmental impact. We are building a comprehensive clean production system spanning design, production and recycling, driving a shift in production models from "terminal treatment" to "source prevention, process control and recycling", thereby supporting the industry's transition to clean manufacturing.

Reduction of solutions and other chemicals: The manufacturing process of electronics requires the use of various chemicals, the use of which has certain impact on the environment. To put the concept of clean production into practice, the Company continues to engage in technological research and development and practical applications, actively replacing traditional chemicals with environmentally friendly alternatives. In 2025, we have successfully reduced the use of HFE solution and A201 hybrid solution, effectively reducing the environmental impact of chemicals.

Full implementation of paperless operation: The Company actively implements paperless operation across all operational scenarios, covering digital office operations in office areas, the implementation of electronic SOPs in production workshops, the digitization of adhesive system records, the replacement of paper-based lot care systems, and end-to-end electronic inspection processes. This initiative facilitates a transition from paper-based records to digital management and from static documents to intelligent guidelines. Through these concrete actions, the Company practices the principles of green and low-carbon development, contributing to environmental protection.

Recycling and reuse of materials: The Company is guided by the development of clean technology, actively practicing the concept of circular economy, and exploring the potential of material recycling in its production and operation. By the end of 2025, we have achieved the recycling and reuse of raw materials (recycled gold, recycled tin) and auxiliary materials (gloves, dust-free cloth, discarded glass film, and recycled trays), which has effectively reduced the operating costs and enhanced the efficiency of resource utilization while practically minimizing the environmental impacts, thus contributing to the green sustainable development.



Dongguan Cowell's factory achieved 100% green electricity usage in production for three consecutive years

In response to our customers' initiatives to promote the use of clean energy, the Dongguan Cowell's factory has fully implemented the procurement of green credit and green electricity since 2022. We continue to promote the adoption of clean energy to support the Company's low-carbon transition and sustainable development.

Green electricity purchased **15,038,000** kWh

Green credit purchased **145,878** mWh

Awarded the title of "National Green Factory" consecutive years

The Company has long been committed to building a green manufacturing system, continuously promoting energy conservation, carbon reduction, clean production and efficient resource utilization, while constantly refining its end-to-end green production management model. In 2025, with our outstanding achievements in green factory construction, energy conservation and low-carbon operations, the Company is officially awarded the title of "National Green Factory" by the Ministry of Industry and Information Technology, establishing the Company as a benchmark enterprise for green and low-carbon development in the electronics manufacturing sector. This signifies that our green manufacturing capabilities have received national-level recognition.







3 We Win Together as One

We Win Together as One

Innovative Development

Innovation is the core engine for sustainable development. In 2025, the Company remained committed to technology innovation as its guiding principle. By refining our research and development incentive mechanisms and strengthening intellectual property protection, we have established a comprehensive innovation ecosystem encompassing "incentives, innovation, protection and conversion". This approach continuously enhances core technological competitiveness, injecting unceasing momentum into the high-quality development of its business operations.

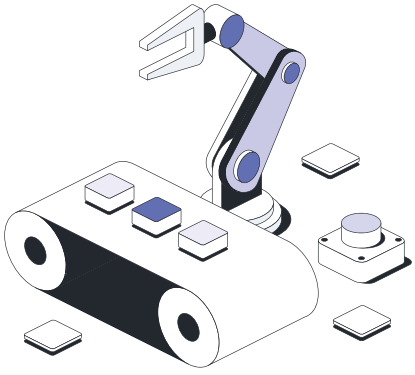
Innovation, and Research and Development Incentives

The Company regards research and development and innovation as its strategic focus, and has established a multi-tiered, comprehensive innovation incentive system to fully unleash the innovation drive of its research and development teams and all employees.

At the institutional safeguard level, we have formulated and optimized the "Guideline for Patent Proposal and Incentives" and other incentive policies and introduced diverse long-term incentives. Not only would this reward patent achievements, but also include innovative proposals, technological improvements, research and development breakthroughs and other aspects into the scope of incentives, forming a "multi-dimensional and comprehensive" incentive framework. Incentives adopt a "semi-annual assessment + annual review" model, under which teams and individuals achieving outstanding innovations would undergo assessment and receive cash rewards every six months, while groups and individuals with exceptional contribution to innovation would receive additional recognition annually, ensuring the timeliness and effectiveness of the incentives.

In 2025, the Company cumulatively granted innovative and research and development incentives amounted to over RMB310,000, covering 273 patents and 378 inventors, which effectively mobilized all employees to participate in innovation, fostering a positive atmosphere where "everyone dares to innovate and every project seeks innovation". Meanwhile, we established a cross-department innovation and exchange platform to encourage collaborative innovation among research and development, manufacturing, marketing and other departments, in order to tackle core technological bottlenecks, product optimization and other aspects through joint research efforts, leading to multiple innovations with market application value throughout the year.

	2025	2024	2023
Total number of patents granted	**269**	131	86
Number of new applications	**201**	160	31



Intellectual Property Protection

The Company strictly complies with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other laws and regulations. By aligning closely with national strategic priorities and product development needs, we proactively match international standards and industry best practices, complete the strategic upgrade of our intellectual property management system, comprehensively revise the "Intellectual Property Management Procedures" and its supporting control procedures, standardize and streamline our intellectual property management, and ensure in-depth integration of the whole process of business operations and innovations.

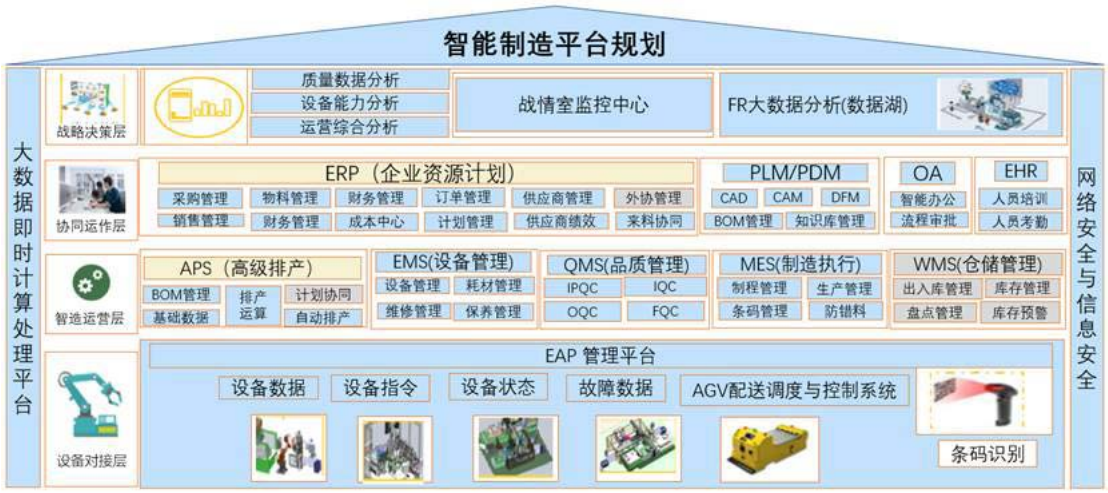
During the reporting period, the Company systematically raised the intellectual property awareness of all employees, providing them with specialized training sessions tailored to their job responsibilities and business needs every six months through offline channels, in order to promote and educate employees on intellectual property matters. Such trainings cover patent discovery and portfolio planning, infringement risks control and other core aspects.





Intelligent Manufacturing

The Company is deeply committed to its Industry 4.0 intelligent manufacturing strategy centered on digitalization, visualization and intelligence. We continue to build our intelligent manufacturing platform, achieving precise control and efficiency improvement across the entire production process through the implementation of key systems and technologies, thereby facilitating high-quality development with digitalization.



- **Implementation of Digital Management System and its Effectiveness**

In 2025, the Company focused on the core aspects of its manufacturing and operations. We completed the development and launch of multiple digital management systems, allowing visualization, tracing and early warning for critical procedures:

Production cockpit: Centralized display of input/output (IO), shipment and inventory, yield rate, defect rate, unit hourly output (UPH), efficiency (EFF) and other core indicators provide real-time data support for management to facilitate their rapid decision-making and production optimization;

AGV raw material transportation big screen: We conduct real-time monitoring and control over the material level in material rooms and production lines, material release status, AGV transportation routes, material availability time, types of work in progress and the operation status of transportation vehicles, achieving visual control of the entire process of raw material transportation and improving the efficiency of material flow;

Equipment inspection system: Real-time tracking of equipment inspection cycles and current inspection status ensures that equipment maintenance is standardized and timely, so as to reduce the risk of equipment failure and downtime;

ESD human body integrated resistance testing system: Dynamic monitoring of ESD tests is carried out by workshop personnel. If the personnel enter the workshop without completing the ESD test, the system will automatically send a warning message to the corresponding DRI supervisor through WeCom, building a solid line of defense for production safety.



- **Application for Intelligent Manufacturing Technology**

  In 2025, the Company simultaneously launched the application and promotion of Smart Vision technology, which could achieve accurate inspection in multiple production scenarios, identify potential defects in advance, effectively reduce the cost of manual intervention, significantly improve product yield and production management efficiency, and provide intelligent solutions for quality control in the production process.

Product Quality

The Company strictly complies with laws and regulations such as the Product Quality Law of the People's Republic of China, the Law on the Protection of Consumer Rights and Interests of the People's Republic of China, the Advertisement Law of the People's Republic of China, and the Consumer Goods Safety Ordinance of Hong Kong. The Company has formulated the "Quality, Environment, Occupational Health and Safety and Energy Management Manual" and the "Customer Service Operating Procedures" to ensure the health and safety of all products and services, protect customer privacy and guarantee the truthfulness and accuracy of information disclosure. During the reporting period, there was no major non-compliance due to product safety, labeling or privacy issues.

Quality Control System

Product quality and safety are the core cornerstones of the Company's sustainable development. The Company continues to deepen and improve the establishment of quality management system with the "pursue excellence, strive for excellence, customer satisfaction, and continuous improvement" as its quality policy, and constantly improve the quality of products and services, to create greater value for customers.

The Company's Quality Department, as the core department of quality supervision, is responsible for the establishment, maintenance and optimization of the quality management system, as well as coordinating the management of hazardous substances free (HSF) and other key tasks at the same time. Through a sound management system, the Company has specified the core requirements and implementation standards of quality, environment, occupational health and safety and hazardous substances management to ensure that all management work is performed in a standardized, orderly and effective manner.

The Company and its subsidiaries maintain a 100% ISO9001:2015 third party certification rate, and all operating entities carry out production and operation activities in strict compliance with international quality management standards and continue to promote quality improvement and service upgrading throughout the product life cycle.

Product Quality Enhancement

In order to ensure that product quality meets customer requirements and industry standards, the Company has established a full-process quality assurance mechanism of "procured materials inspection — process inspection — shipment inspection — third party testing", achieving full-cycle quality control from procurement of raw materials to delivery of finished products:

Incoming material inspection: Strict testing is performed on all procured raw materials and components, focusing on the verification of material compliance, hazardous substances content, appearance and performance indicators, where unqualified materials will be firmly isolated and returned;

In-process inspection: Quality control points are set up at each key production stage to monitor production process parameters and product assembly precision in real time, promptly identifying and correcting quality deviations in production process;

Shipment inspection: Comprehensive inspection of finished products is carried out before delivery, covering functional performance, appearance and packaging, labeling compliance and other dimensions, to ensure that the delivered products are 100% qualified;

Third party testing: For key products and customer requirements, we commission qualified third-party organizations to carry out specialized testing, covering safety, environmental compliance and other core indicators to verify the authority and reliability of product quality.

The Company has developed a comprehensive **Product Recall Emergency Mechanism**, which specifies the division of responsibilities and the full process of "upon receiving the request, we set up an emergency team composed of quality, technology, customer service and other departments for work coordination, quickly assess the affected products' production batch, sales region and customer range through the order and batch information, formulate a scientific plan containing the recall method, time nodes and communication approach considering the product characteristics and the degree of impact, and liaise with customer service department and logistic partners to efficiently execute the recall to ensure the proper disposal of the affected products. The technical and quality teams then investigate the root cause of the issue and produce an analysis report, ultimately formulate corrective measures to optimize the production process and quality control procedures, and track and verify the effect of the corrective measures to avoid the recurrence of similar issue", to guarantee prompt response and effective handling under special circumstances.

In 2025, there were no products that needed to be recalled due to safety and health reasons, and the number of recalled products was 0, with a recall percentage of 0%, which fully demonstrated the Company's stringent quality control capability and product safety assurance level.

Hazardous Substance Management

The Company has always taken control of hazardous substances as a core part of its environmental responsibility, strictly following international regulations such as RoHS of EU and REACH, as well as customers' environmental requirements, and has established an HSF (Hazardous Substance Free) control system covering the whole process of "procurement — production — shipment — change". The Company promotes the substitution of all hazardous substances through technological innovation, ensures product compliance through standardized management, and contributes to the green and sustainable development of the industry.

The Company has formulated the "HSF Control Operating Procedures" to specify the objectives and paths of hazardous substances control, and strictly control the content of banned substances, planned abolition substances and elimination substances in products. The scope of control covers RoHS-restricted substances such as Cd, Pb, Hg, Cr^{6+}, PBBs and PBDEs, halogen-free substances such as halogen (F, Br and Cl), and 251 high-risk chemicals in the REACHSVHC (Substances of Very High Concern) list, to ensure that the control standards are fully aligned with the international laws and regulations and the needs of the customers, such as Apple's Controlled Substances Specification 069–0135.

Full Life Cycle Control Procedures

Procurement: HSF access assessment mechanism for suppliers has been established, which requires suppliers to submit environmental protection certificates, third-party testing reports, MSDS (Material Safety Data Sheets), FMD (Full Material Disclosure) reports, etc.. Through the systematic review of chemical substances in MSDS and FMD, we can effectively identify whether all chemicals have been or are potentially subject to regulatory control in the procurement and other processes, and accordingly, only those suppliers who have passed the HSF control will be included in the list of qualified suppliers. Procurement orders are clearly labeled with "RoHS" or "RoHS (HF)" (halogen-free) control requirements to block the inflow of unqualified materials from source.

Incoming materials inspection: IQC department adopts XRF inspection technology to screen all incoming materials for hazardous substances. Non-metallic materials are tested by 10 RoHS-restricted substances tests, and halogen-free products are additionally inspected for halogen content. Unqualified materials are immediately labeled and isolated with samples sent to third-party organizations for verification, and suppliers are simultaneously required to submit 8D improvement reports and perform audit work.

Process control: We confirm the green labels of raw materials before production, use environmentally friendly auxiliary consumables (such as environmental cleaning agents and ethyl alcohol); operators wear protective gear and regularly clean production equipment and fixtures to prevent contamination by residual hazardous substances; new equipment or idle equipment should be qualified by XRF tests before being put into use again.

Finished products control: OQC department samples each batch of finished products according to the "OQC XRF Inspection Specification", and qualified products can be shipped only after putting "RoHS (HF)" labels on the packaging boxes; the highest QA supervisor is responsible for the final approval of product environmental compliance and may issue HSF guarantee statement according to customers' requirements.

Change management: When there are changes in suppliers, materials and processes, suppliers are required to re-submit test reports and FMD/TRM data; IQC and OQC should conduct special tests on the first batch of incoming materials and finished products after such changes; and RoHS engineers should update the relevant compliance documents and upload them to customers' system.

List of prohibited and restricted substances ahead of laws and regulations

Name of restricted substances	CAS No.	Regulatory requirements	Internal management requirements
DBDPE	84852-53-9	REACH SVHC List	Included in the restricted list
Antimony and Antimony compounds	1309-64-4	Not yet regulated	Included in the restricted list
PVC	9002-86-2	Not yet regulated	Included in the restricted list
TBBPA	79-94-7	Not yet regulated	Included in the restricted list
PFAS	Multiple	US EPA TSCA regulated substances	Included in the declared substances list and arranged phase-out program
BBOT	7128-64-5	Expect to be restricted in the future	Included in the declared substances list

Creating the Culture of Quality

The Company attaches great importance to the cultivation of the culture of quality and the enhancement of on-site management. In accordance with the quality policy, business development needs and employee job competency requirements, to thoroughly implement the core requirement of "strengthening on-site management and consolidating the foundation of quality", effectively improve the comprehensive management level of dust-free workshops and ensure the continuous stability and compliance of our production environment, the PQE (Process Quality Engineer) takes the initiative to arrange managers from relevant departments such as QA, MFG, PM and PE to launch a management inspection specialized program themed "Facing on-site — Getting involved". It aims to promote problem-solving through management decentralization and continuously enhance the Company's core manufacturing competitiveness.

Quality Month Program "Together • Quality • Future"

In order to fully implement the Company's quality policy, promote the participation of all employees in quality management and build a high-quality and efficient production environment, we launched a quality month program themed "Together • Quality • Future" in 2025. Through diversified and interactive activities, the Company has strengthened the quality awareness of all employees, consolidated the foundation of quality control, and built a strong momentum for the Company's high-quality development.



Improvement of Service Quality and Efficiency

The Company has formulated systems such as the "Customer Complaint Handling Procedures", with an aim to establish a standardized process of receiving, handling and giving feedback to customer complaints to ensure that customer complaints are quickly responded to and effectively resolved:

Complaint Receipt: Customer complaints are received through various channels such as our one-stop customer service platform, national customer data center and dedicated communication channels to ensure complete recording of the details on complaints;

Rapid Response: We have established a customer evaluation system that "evaluates people", under which 6 key positions, such as project manager and engineering manager, are subjects of evaluation. The system encourages employees to take responsibility for responding to complaints, and in 2025, the average response time for customer complaints was 4 hours;

Efficient Handling: Complaints are categorized and classified for handling and the relevant departments are organized to perform in-depth analysis of the causes, formulate solutions and track their implementation to ensure a 100% complaint handling rate;

Closed-loop feedback: Feedback is provided to customers in a timely manner after the completion of handling. We have formed a complaint handling close loop, aiming to ensure customer satisfaction.

In order to accurately grasp the needs of customers and continuously optimize products and services, the Company conducts customer satisfaction survey (CSS) on a yearly basis, inviting customers to conduct a comprehensive assessment on five dimensions, namely, research and development capability (Technology), quality control capability (Quality), responding speed and completion rate (Responsiveness), product delivery capacity (Delivery) and cost control capability (Cost). The five dimensions of Technology, Quality, Responsiveness, Delivery and Cost are evaluated.

Based on the results of the survey, each department shall analyze the deficiencies in depth and formulate targeted improvement measures; if the total score of the customer rating is lower than 85% or the score for individual item is below 3, the Company will focus on improving the satisfaction level of such customer, and will complete such improvement measures within six months and conduct another survey to confirm the improvement results. Through the closed-loop management of "investigation — analysis — improvement — verification", we will continue to improve customer satisfaction and loyalty.

Name of Indicator	Unit	2025	2024	2023
Number of complaints received from customers regarding products or services	Time	**0**	1	0
Customer satisfaction	Score	**97.52**	96.08	95.6

Supply Chain Management

The Company strictly complies with relevant laws and regulations such as the Tendering and Bidding Law of the People's Republic of China and the Government Procurement Law of the People's Republic of China, and has formulated the "Supplier Management Procedures" and the "Rules on Suppliers CSR Audit Management" to integrate environmental and social responsibility into the entire process of supplier selection, assessment and management. We prioritize suppliers with good ESG performance, including those offering environmentally preferable products and services, and conduct regular on-site audits of key suppliers. During the reporting period, our supply chain management procedures complied with all applicable regulatory requirements.

Supply Chain Management System

The Company has established a standardized and full-process supply chain management system. This guarantees stability and compliance of the supply chain through a series of core management systems, including "Supplier Management Procedures", "Procurement Management Procedures", "Special Procurement Management Operation" and "Contractor Management Procedures", and suppliers are explicitly required to 100% strictly abide by every term thereunder. By implementing such systems, we may comprehensively cover the full life cycle of supplier access, classification, assessment, grading and withdrawal, constantly optimize the operation procedures of each segment, and build a mutually beneficial and sustainable long-term cooperation ecosystem.

Awarded the title of "Guangdong Provincial Green Supply Chain Management Enterprise"

The Company adheres to the principle of full-chain sustainable development, actively promotes green synergy within the supply chain, and builds a low-carbon control system from research and development, procurement, production to logistics. In 2025, the Company was awarded the title of "Guangdong Provincial Green Supply Chain Management Enterprise" by the Department of Industry and Information Technology of Guangdong Province for its comprehensive green supply chain management mechanism and excellent outcome of practice, which fully reflected the Company's core competitiveness and industry influence in the field of low-carbon management of the entire industrial chain.



Eastern China PRC			Southern China PRC			Central China PRC		
Number of Suppliers			Number of Suppliers			Number of Suppliers		
2023	2024	**2025**	2023	2024	**2025**	2023	2024	**2025**
50	51	**51**	217	216	**222**	1	1	**1**

Northern China PRC			Western China PRC			Hong Kong PRC		
Number of Suppliers			Number of Suppliers			Number of Suppliers		
2023	2024	**2025**	2023	2024	**2025**	2023	2024	**2025**
5	5	**5**	3	2	**2**	7	9	**9**

Japan			Korea			Others		
Number of Suppliers			Number of Suppliers			Number of Suppliers		
2023	2024	**2025**	2023	2024	**2025**	2023	2024	**2025**
10	10	**10**	25	27	**27**	19	21	**24**



Years of Cooperation Less than 1 year			Years of Cooperation 1 to 2 years			Years of Cooperation Over 3 years		
Number of Suppliers			Number of Suppliers			Number of Suppliers		
2023	2024	**2025**	2023	2024	**2025**	2023	2024	**2025**
32	20	**23**	52	61	**52**	253	261	**276**

Development of access assessment: New suppliers are rigorously assessed to ensure that they meet the requirements of the Company and customers in terms of quality, environment, occupational health and safety, and control of hazardous substances. Procurement preparation materials are submitted to a professional team for verification to clearly define the entry scenario and ensure access compliance.

Annual audit surveys: An annual audit mechanism has been established to regularly verify suppliers' compliance, management level and performance. High-risk suppliers are investigated twice a year, with designated personnel to follow up, review and rectify problems in a timely manner.

Grading management: The Company has established a double grading control system to achieve precise management of suppliers. On the one hand, the Company assesses and classifies suppliers according to the 4-point scale for normalized management, and on the other hand, the Company performs special audits to distinguish high-risk suppliers for precise control.

Training and empowerment: Regular training is organized for suppliers, covering core management system, quality control, hazardous substance management and supply chain safety, etc., which is held for new and old suppliers separately, and feedback is collected for optimization and synergistic development.

CSR Audits of Suppliers

We attach great importance to environmental and social risks of the supply chain. CSR performance has become one of the key assessment indicators in the selection and dynamic management of suppliers. We conduct CSR audits on our key suppliers, focusing on the five major areas of management system, environmental management, labor management, occupational health and safety management, and business ethics, with an emphasis on carbon emission management and labor rights protection.

Access assessment: New suppliers must fill in the "Supplier Basic Information List", covering CSR contents.

Contractual constraints: All suppliers must sign and comply with the "Supplier Social Responsibility Pledge".

Specialized audits: Specialized audits are conducted on key issues such as conflict minerals, hazardous substances, carbon emissions and labor rights.

On-site audits: On-site inspections are arranged for high-risk suppliers to verify the consistency of actual conditions and submitted information.

Capacity building: Specialized counseling is provided to high-risk suppliers to enhance their CSR management level.

100% coverage rate of signing the Code of Conduct for Suppliers
100% coverage of CSR audits for on-site service providers and labor agents

Responsible Mineral Procurement

The Company has formulated and continued to enhance the "Conflict-Free Mineral Operational Code" and other institutional documents and publicly released the "Policy Statement on Conflict Minerals" on its official website, committing not to purchase minerals from conflicted and high risk areas, and ensuring the transparency and traceability of its supply chain. In our daily operation, we strictly follow the due diligence guidelines of the Organization for Economic Co-operation and Development (OECD), and we are dedicated to ensuring that the sources of 3TG (tungsten, tin, tantalum and gold), cobalt, mica and other minerals are in compliance with the regulations and the transparency of the supply chain. In accordance with the Conflict-Free Sourcing Initiative (CFSI) and the list of qualified smelters recognized by our customers, we continue to optimize our procurement process to ensure traceability of mineral sources and verification of results.

Due Diligence on Supply Chain Conflicted Mineral

Supplier Conflicted Mineral Risk Classification	Based on the material composition of the production materials, we determine whether the materials are high-risk materials, classify high-risk material suppliers as suppliers for high-risk conflict minerals, and conduct conflict minerals due diligence on high-risk suppliers.
CMRT/EMRT Survey	High-risk material suppliers are required to provide CMRT/EMRT reports, and new high-risk suppliers are required to sign the "Not to Use Conflict Minerals Commitment". High-risk suppliers are subject to surveys twice a year, and the reports are audited by RoHSEng. Meanwhile, the Company shall rigorously review the survey forms, verify the relevant information and the smelters' qualifications, and confirm the completion of the survey through checker forms.
CMRT/EMRT Survey Form Review and Confirmation	The Company rigorously reviews the CMRT/EMRT survey forms of suppliers to confirm that supplier information, declaration scope and declaration of substances such as 3TG are complete. Materials from conflict areas are prohibited, and suppliers are required to complete 100% of the supply chain surveys. Correspondence and qualifications on the smelters' list are verified and ultimately confirmed by checker forms, where auditing is considered completed with all green checks.
CMRT/EMRT Survey Form Compilation and Submission	After completing supplier audits, the RoHS department regularly compiles the results of the surveys in April and July of each year to form a unified CMRT/EMRT survey form for the Company. For designated customer products, we collect and compile the survey forms of high-risk material suppliers as required, fill in the product information in the product list, and perform the rest of the annual routine compilation as required to ensure compliance and traceability of the supply chain.

100% of the 3TG raw materials in all products are sourced from RMAP certified SORs.
100% of the 3TG raw materials involved in all products are traceable to the SORs' country of origin.





4 Co-creation and Sharing of Value

Co-creation and Sharing of Value

Employees' Interests

The Company strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor, as well as the Employment Ordinance, the Sex Discrimination Ordinance, the Disability Discrimination Ordinance of Hong Kong and other relevant laws and regulations, striving to create a fair, inclusive and respectful work environment that prohibits any forms of discrimination. During the reporting period, there were no incidents of non-compliance with employment-related laws and regulations.

Equal Employment

The Company formulated the "Human Resources Management Procedures", the "Recruitment Management Regulations", the "Social Responsibility and Management Manual" and other institutional documents, which stipulate the management principles governing recruitment, promotion, compensation, benefits, working hours, rests, leaves and other aspects, and strictly prohibits any use of child labor or forced labor in all aspects of our operation, in order to protect the legal rights of employees and foster a fair and inclusive work environment. As of 31 December, 2025, we had 5,947 employees in total with a turnover rate of 15.65%. The breakdown by gender, age, region and position is as follows:

As of 31 December 2025

Indicators			Total number of employees/ person	Turnover rate/%
	By gender	Female	1,464	3.01%
		Male	4,483	12.64%
	By position	Senior management	140	0.18%
		Middle management	2,071	6.84%
		Other employees	3,736	8.62%
	By employment type	Full-time	3,931	15.65%
		Contract	2,016	—
	By region	Central China	2,008	5.74%
		Southern China	1,936	4.37%
		Southwest China	1,011	2.71%
		Northwest China	249	0.74%
		Other regions in China	698	1.89%
		Overseas	45	0.20%
	By age group	30 years old or below	2,890	10.65%
		31–40 years old	2,279	4.21%
		41–50 years old	713	0.70%
		51 years old or above	65	0.09%

Prohibition of discrimination. The Company strictly prohibits any form of discrimination based on personal characteristics, resolutely eliminating any unfair treatment based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation or marital status. We insist on making decisions in accordance with capabilities, experience and job fit, in order to create a diverse, inclusive, fair and impartial work environment.

Recruitment and dismissal. The Company has formulated the institutional document "Recruitment Management Regulations", adheres to the principles of openness and fairness in recruitment, comprehensively evaluates candidates' backgrounds in accordance with the requirements of the positions, performs necessary procedures of identity verification and confirmation of intent prior to employment, and maintains collaborative management with labor cooperation partners. With respect to dismissal of employees, the Company performs the corresponding procedures and compensation arrangements based on different circumstances in accordance with the law in order to ensure that the process is in compliance with the law. The Company has also established internal communication and complaint channels to properly handle all types of employment relationship adjustments.

Working hours and rest periods. The Company strictly complies with the labor laws and regulations of the place of operation and implements a standard working hour system of 8 hours a day and 5 days a week, and ensures that employees are entitled to statutory holidays, paid annual leave, and reasonable rest periods during work in accordance with the law. Maternity leave, paternity leave, parental leave, and care leave strictly comply with the laws and regulations of the place of operation. In the case of Dongguan Cowell, for example, female employees are entitled to 98 days of basic maternity leave, 80 days of incentive leave in Guangdong Province, while male employees are entitled to 15 days of care leave (paternity leave), and the above leaves are paid leaves with full salary, with an aim to help employees better balance their work and family responsibilities.

Prohibition of child labor or forced labor. To eliminate employment of child labor and any forms of forced labor, we strictly implement identity verification procedures during recruitment, ensuring that all employees are hired on a voluntary basis. All labor dispatch suppliers must sign a letter of commitment, pledging to adhere to the same labor standards. In the event of any misuse of child labor, the Company will immediately cooperate with clients to implement comprehensive remedial measures to mitigate such impact. During the reporting period, there were no violations recorded.

Employment system review mechanism. The Company has established a comprehensive review system, including annual compliance audits, dual identity verification for recruitment and confirmation of voluntary employment, access and annual audits of labor dispatch suppliers, monthly internal spot checks and anonymous reporting channels, as well as special remedial procedures, covering all forms of employment.

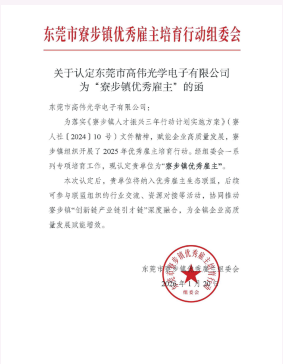
Multi-node Assurance for Compliant Employment

- **Onboarding verification**: All new employees must provide their original ID cards for verification and archiving.
- **Age spot checks**: Employees suspected of being underage are required to provide academic credentials.
- **Training and awareness campaign**: HR and recruitment teams are provided with trainings on child labor and forced labor identification.
- **Supplier assessment**: Prohibition of child labor and forced labor is adopted as a deal-breaker for supplier admission.
- **Anonymous whistleblowing**: We have established employee hotlines and mailboxes.

Emergency response for non-compliance: Immediate isolation → Comprehensive investigation → Remedial measures (notify guardian/reimburse travel expenses/compensate for losses) → Accountability process → Procedure rectification.

Dongguan Cowell is honored as an "Outstanding Employer of Liaobu Town"

In 2025, during the Liaobu Town's Outstanding Employer Cultivation Initiative 2025, after specialized cultivation and rigorous evaluation by the committee, Dongguan Cowell was formally recognized as an "Outstanding Employer of Liaobu Town".



东莞市寮步镇优秀雇主培育行动组委会

关于认定东莞市高伟光学电子有限公司为"寮步镇优秀雇主"的函

东莞市高伟光学电子有限公司：

为落实《寮步镇人才强共三年行动计划实施方案》（寮人社〔2024〕10号）文件精神，赋能企业高质量发展，寮步镇组织开展了2025年优秀雇主培育行动。经组委会一系列专项培育工作，现认定贵单位为"寮步镇优秀雇主"。

本次认定后，贵单位将纳入优秀雇主生态联盟，后续可参与联盟组织的行业交流、资源对接等活动，协同推动寮步镇"创新链产业链引才链"深度融合，为全镇企业高质量发展赋能增效。

东莞市寮步镇优秀雇主培育行动组委会

2025年11月

Employee Protection

The Company has always adhered to the "people and talent-oriented" philosophy and established competitive remuneration and benefit packages, in order to incentivize, develop and retain outstanding talents with fair and reasonable returns, showing our care for employees outside of work. We organize annual physical examinations, festive activities, club activities, family open days, summer programs and other events, which alleviate employees' pressure, enrich their life and facilitate mutual growth between employees and the Company.

- ***Performance Incentive System***

  We have established a remuneration system that aligns with job value, competency and performance for all employees of the Company (including part-time and contract employees), and implemented a distribution model that combines fixed remuneration + incentive bonus, encouraging employees to proactively create value.

  Indirect employees: We conduct performance appraisal based on performance, target achievement, teamwork and other aspects, which serves as an important reference for bonus approval and career development.

  Direct employees: The Company conducts comprehensive evaluation based on work efficiency, product quality, work results and other elements, and timely grants corresponding bonuses according to operational performance and employee contributions to recognize their dedication.

  Equity incentives: For core technicians and senior management, we provide equity incentives to strengthen their sense of belongings and share development returns with our employees.

- ***Employee Care and Welfare***

  The Company has established a comprehensive welfare system that extends beyond salary for all its employees (including part-time employees and contract employees), prioritizing the physical health and mental well-being of employees. Through flexible leave systems, regular health check-ups, counseling services and diverse cultural and sport activities, we facilitate employees in achieving work-life balance, with an aim to foster a truly supportive and caring work environment.

  Livelihood protection: Free shuttles, weekly meal upgrades at the canteen, barber service, gym room, library, talent apartment, employee assistance fund, etc..

  Fertility support: Implement maternity leave, prenatal check-up leave, childcare leave and paternity leave in accordance with law, and provide nursing room to enhance protection for female employees and families with children.

  Health and care: Annual physical examinations, EAP counseling, birthday and holiday benefits, cultural and sports activities, family open days, summer childcare services, etc..

  Welfare optimization: Open self-funded dormitories to meet employees' diverse accommodation needs.

* Cowell did not hire part-time employees in 2025.

Hobby Clubs and Cultural Activities

Activities of hiking club



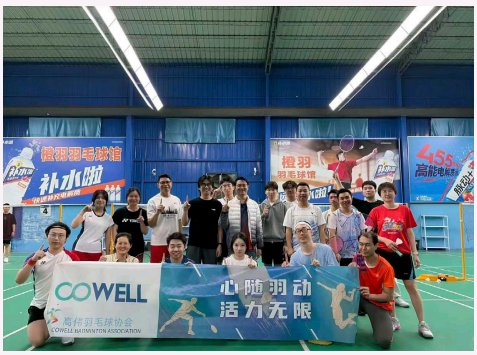
Activities of basketball club



Activities of yoga club



Activities of badminton club



Activities of soccer club



Family Care and Employee Support Program

Summer Day Camp



Father's Day Haircut



Employee Birthday Party



Family Open Day



Mini Sports Day



Honor of Kings



Democratic Communication

The Company has formulated the "Procedure on Internal and External Communication Management" to ensure effective communication with employees and other stakeholders. We listen to the employees and promote the harmonious development of the Company. The Company encourages employees to provide feedback under their real names or anonymously. All feedback is uniformly recorded in dedicated ledgers managed by designated personnel. Relevant electronic and paper documents are stored with encryption or in locked storage to ensure information security. For anonymous complaints, the Company undertakes to never pursue the identity of the whistleblowers, so that employees can report issues with confidence and security.

Establishing a labor union: We have established a labor union in accordance with the law and would actively engage in collective negotiation, in order to effectively safeguard employees' lawful rights and interests and foster harmonious and stable labor relations.

Online communication channels: We provide online communication channels, including Cowell's official account, dedicated hotlines for employee service center, quarterly employee satisfaction survey and complaint QR codes posted at dining tables.

Offline communication channels: We have dedicated employee service center that promptly address and respond to inquiries from employees. We have also established a counseling room, hosted quarterly employee forums and maintained a permanent suggestion box to gather feedback from employees.

Employee satisfaction survey: We conduct quarterly employee satisfaction surveys to understand employee needs and feedback, continuously improving management practices and enhancing employee satisfaction.

A total of 298 complaints and proposals were received, and a 100% response rate was achieved for complaints.



Employee forum in Q4 2025

Health and Safety

The Company strictly complies with the Work Safety Law of the People's Republic of China and the Prevention and Control of Occupational Diseases Law of the People's Republic of China, as well as the Occupational Safety and Health Ordinance of Hong Kong and other relevant laws and regulations. We formulated the "Occupational Health Management Guidelines" and the "Safe Production and Accident Management Guidelines", committing to providing all employees with a safe and healthy work environment. We regularly hold safety trainings and emergency drills to identify and eliminate occupational hazards in the workplace. During the reporting period, we were not subject to any penalties due to violations of occupational health and safety regulations.

Occupational Health and Safety Management System

The Company actively promotes a "zero-incident" safety culture, ensuring employee safety across multiple dimensions, including workplace and commuting. We have established a comprehensive occupational health and safety management system within the Group. All operational sites have obtained the ISO45001:2018 occupational health and safety management system certification.

ISO45001 System Certification



Dongguan Cowell



Luxsense



Shiyuan

Non-motorized Vehicle Safety Program

To achieve our employee safety and sustainable development goals, the Company launched two electric bicycle safety programs. Through tiered training, on-site awareness campaigns, and routine inspections and promotion, employees' traffic safety awareness has significantly improved. Practices such as wearing helmets while riding and using crosswalks when walking have effectively reduced commuting risks, showcasing the Company's image as a people-oriented responsible corporation.



Safe Production

The Company has always practiced safe production throughout its production and operation. Through sound control mechanism, strengthened hazard management and enhanced education system, we could comprehensively prevent safety risks to safeguard our employees' health and safety of corporate assets, thereby promoting both safe production and business development.

Total number of work-related fatalities (person):

2023	2024	2025
0	0	**0**

Work-related fatalities rate (per 1,000 employees):

2024	2025
0.00%	**0.00%**

Number of work-related injuries and accidents (all are minor injuries):

2024	2025
12	**7**

representing a decrease of 41.67%

Accident rate (per 1,000 employees):

2024	2025
0.16%	**0.07%**

representing a decrease of 56.25%

Work days lost due to work-related injuries (days):

2024	2025
140	**197**

representing an increase of 40.71%

- ***Operation of the Safe Production Committee***

The Company has established the Safe Production Committee as the decision-making and coordinating body for safety production work. It clarifies responsibilities of different levels, standardizes operational procedures, and ensures the effective implementation of safety management. The Safe Production Committee is led by senior management of the Company and comprises department heads, safety management personnel and employee representatives. It operates under "unified leadership, tiered responsibility and full participation".

The Safe Production Committee convenes regular meetings to review safety production management systems, annual safe operation plans and rectification plans for major safety hazards, while addressing safety issues in phases. It oversees the implementation of safety responsibilities across departments, conducts safety performance evaluations and reviews, and promptly addresses critical safety production issues. Meanwhile, the Safe Production Committee has established robust information sharing mechanisms, regularly disclosing safety progress and hazard remediation status to all employees. Employees are allowed to oversee the process, which promotes a collaborative safety management framework where all levels work together and share responsibility.

In 2025, the Safe Production Committee held **18** meetings



Environmental Safety Production Committee Meeting

- ***Regular Hazard Investigation***

The Company has established a routine, comprehensive safety hazard inspection and management system, adhering to the principles of "full coverage, no blind spots and prioritizing effectiveness" to prevent safety incidents at the source. The inspection scope encompasses all production and operational areas, including production workshops, office spaces, storage facilities, fire protection systems, electrical equipment and specialized equipment. Inspection covers equipment operational safety, compliance with work procedures, integrity of safety and protection facilities and emergency supply reserves.

The Company implements a model combining "**daily inspection + specific inspection + seasonal inspection**", which specifies the inspection responsibilities for each position. It requires employees to conduct daily self-inspections of workplace safety, the safety management department to conduct weekly comprehensive inspections, and the Safe Production Committee to conduct monthly specific inspections. During special periods like holidays, high temperature and heavy rainfall, we conduct targeted hazard inspections. Hazards discovered during investigations would be recorded in a "hazard log", specifying the responsible party of rectification, rectification measures and rectification deadlines. We implement "closed-loop" management to ensure that all hazards are addressed, while also regularly review the causes of such hazards to optimize our management and control measures and prevent recurrence of similar hazards.

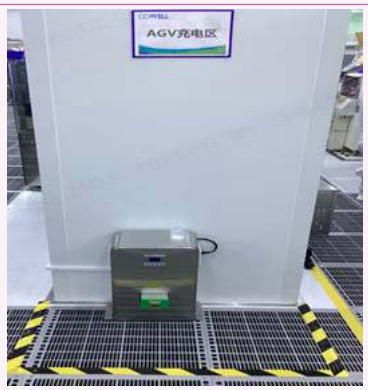
2,578 hazards discovered. Rectification rate for hazards 100%

- ***Fire Safety Management***

The Company conducts regular comprehensive inspections and maintenance of fire safety equipment, performing routine checks on fire hydrants, fire extinguishers, emergency lighting, evacuation routes and other facilities. Expired or damaged equipment is promptly replaced to ensure all fire safety equipment remains fully functional and readily available. Fire lanes and emergency exits are clearly marked and designated, with strict prohibitions against blocking or occupying these areas to ensure unimpeded evacuation.

Meanwhile, the Company routinely conducts fire safety education and emergency drills to promote knowledge and skills in fire reporting procedures, initial fire suppression and evacuation. This enhances employees' fire emergency response capabilities, clarifies fire safety responsibilities for each position and fosters a positive atmosphere where all employees prioritize and value fire safety.

Fire Hazard Reduction Initiative through Source Control

Launch of initiative to ban all ignition sources from our plant In 2025, the Company launched a comprehensive initiative to ban all ignition sources from the entire plant. This included enhancing temporary ignition source storage at entry points and installing electronic lighters in designated smoking areas. Concurrently, company-wide awareness campaigns and training were conducted alongside routine inspections to eliminate open flame hazards at their source, thereby strengthening the factory's fire safety.	
AGV battery protection initiative To address the risk of thermal runaway in AGV lithium batteries within the factory premises, the Company concurrently implemented the AGV battery protection initiative in 2025. This involves collaborating with suppliers to assess current conditions, positioning all charging zones away from hazardous sources, and equipping facilities with emergency supplies such as fire blankets. This approach centralizes battery safety risk management, thereby fortifying the safety measures for smart manufacturing operations.	

- ***Three-tier Safety Education***

The Company places high emphasis on safety culture development, establishing a comprehensive three-tier safety education system (plant-level, workshop-level, team-level) to ensure that every employee masters essential safety knowledge and operational skills while fostering a strong safety awareness.

Plant-level safety training is conducted for new hires and employees switching to new positions. It focuses on discussing the Company's safety production regulations, the overall safety landscape, emergency response procedures and safety laws and regulations, helping employees establish comprehensive safety awareness; **workshop-level safety training** discusses the department's safety risk points, operational safety standards and emergency measures based on departmental and job-specific characteristics, thereby enhancing employees' job-specific safety awareness; **team-level safety training** is led by the position supervisor, who conducts one-on-one hands-on instruction. The training focuses on teaching employees the safe operating procedures for their specific roles, the proper use of protective equipment and emergency response techniques for their positions. Employees are only permitted to begin work after demonstrating proficiency in these safety skills.

Additionally, the Company regularly organizes safety training sessions, drills and knowledge competitions to routinely reinforce employee safety awareness, update their safety knowledge base and enhance their emergency response capabilities. This fosters a safety culture where "everyone prioritizes safety, every action supports safety, safety is always on our minds, and safety is essential everywhere".

Chemicals Management

For chemicals used in manufacturing process, the Company prohibits and limits the use of substances based on clients' requirements. We have established a standardized, end-to-end control system and specifically formulated the "Chemicals Management Practice" to regulate the whole process of procurement, transport, storage, use and disposal of chemicals, providing safeguard against any safety risks and environmental hazards and effectively protecting the employees' occupational health and production environment safety.

The Company establishes a frequently-updated chemical management inventory that comprehensively records ingredient information, hazardous properties, storage requirements, usage specifications and disposal standards for all chemicals, ensuring clear records and full traceability throughout the process. Supplier qualification review mechanisms are strictly enforced, requiring suppliers to provide chemical safety data sheets (SDS) and compliance declarations. We strictly control procurement sources and standardize transportation contract terms and procedures, preventing any non-compliant chemicals from entering the factory.

For storage, we strictly implement dedicated storage zone, compatibility-based classification and management, prominent warning signs and other requirements, strictly preventing mixed storage, spillage, chemical reactions and other safety concerns. In terms of usage, we regulate operational procedures, strengthen employee protection and on-site supervision, mandating all employees in positions involving exposure to chemicals to equip personal protective equipment and conduct annual occupational health examinations. Disposal is entrusted to professional vendors in accordance with regulations to prevent environmental pollution. Meanwhile, the Company requires all chemical suppliers to provide specific testing reports for restricted substances, with all test results fully compliant with national laws and regulations and clients' compliance requirements. We implement closed-loop management and control throughout the process to consolidate the safeguards for production safety and environmental protection.

0 chemical spill incidents

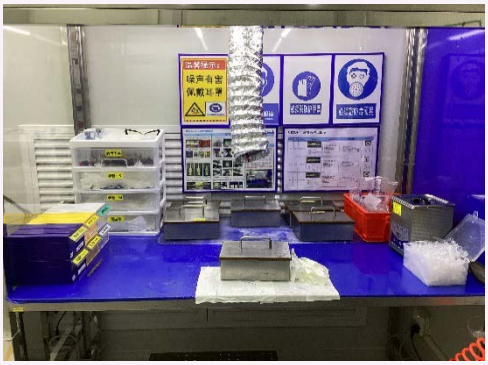
Enhancing chemical management through specific improvement of valve cleaning room

In 2025, we implemented a special improvement initiative for the valve cleaning room in the workshop within the key chemical usage zone. Through systematic inspections, we identified a total of 3 safety hazards, and swiftly formulated specific rectifications measures. All rectification measures were completed within two weeks, which significantly enhanced the safety standards for chemical usage in the valve cleaning room and further safeguarding employees' occupational safety and health.

Improvement 1: Standardized storage for personal protection equipment



Improvement 2: Extended ventilation duct in ventilation cabinet



Improvement 3: Installed human electrostatic discharger and emergency shower room (including eye wash station) at the entrance of the valve cleaning room



Prevention and Control of Occupational Diseases and Hazards

The Company consistently upholds the baseline for employee occupational health, strictly adheres to the Occupational Disease Prevention and Control Law and other relevant laws and regulations, and integrates occupational diseases and hazards prevention into the core system of safe production management. We insist on the principle of "prioritizing prevention and combining prevention and control". To address potential chemical and physical hazards in camera module production, we have established a comprehensive and systematic occupational disease prevention mechanism, striving to safeguard employee health and strengthen our occupational health and safety defenses.

The Company has comprehensively reviewed occupational diseases and hazardous factors throughout the entire production process, precisely identifying key risks such as chemical exposure, noise and dust. We regularly engage third party professionals to inspect occupational diseases and hazardous factors and evaluate the current status, ensuring that the work environment complies with national occupational health standards. For high-risk positions, we strictly implement upgrades to protective facilities and individual protective measures, requiring the provision of gas masks, protective gloves, safety goggles and other dedicated protection gears and supervising employees' usage of such equipment, in order to reduce hazard exposure from the source.

Meanwhile, the Company has established a comprehensive occupational health surveillance system for employees, which strictly implements pre-employment, on-the-job, and post-employment occupational health examinations for new hires, creates dedicated occupational health records and ensures full traceability throughout the entire process. We conduct regular specialized training on occupational disease prevention, disseminate occupational health knowledge, promote proper use of protective equipment and enhance emergency response skills to elevate all employees' awareness of occupational health and self-protection. Additionally, we continuously optimize the work environment by enhancing the operation and maintenance management of ventilation, noise reduction and dust removal facilities. This creates a safe, healthy and comfortable workplace, thereby fulfilling our corporate responsibility for occupational health.

During the reporting period, **0** case of occupational diseases was recorded

Training and Development

The Company strictly complies with the Vocational Education Law of the People's Republic of China and relevant laws and regulations on the requirements for employee trainings, and has formulated the "Regulations on Training and Management", striving to provide employees with continuous growth and development opportunities. Based on business needs and occupational development plans of employees, we design a training system consisting of different tiers and categories, including onboarding training, position-specific skill training, management improvement training and other trainings. During the reporting period, we ensured that all employees had equal access to training opportunities.

Employee Training

The Company has established an inclusive training assurance mechanism, allowing us to achieve 100% training coverage rate for employees in 2025 and ensure that employees of different gender, levels and positions could have access to equal learning and development opportunities. Training resources are equally distributed among management and junior employees, as well as female and male employees, demonstrating a diverse and inclusive workplace culture.

Indicators	Categories	Training coverage rate	Average training hours per employee (hours)
By gender	Female	100%	39.78
	Male	100%	39.78
By position	Management	100%	42.94
	Middle level	100%	44.19
	Junior level	100%	32.24

- ***Development of Training System***

  The Company has established a tiered and customized training system. Based on the core competency requirements of different positions, it has built a distinctive tiered training framework. Tailored courses are designed for staff, frontline employees and team leaders, ensuring precise alignment between training content and job requirements.

  Staff: We focus on deepening professional skills, fostering cross-departmental collaboration and cultivating innovative thinking to strengthen core job competitiveness;

  Frontline employees: We focus on practical skills enhancement, safe production regulations and standardized process training to ensure efficient and compliant operations;

  Team leaders: We enhance the effectiveness of frontline management by focusing on core competencies such as team management, communication and coordination and on-site problem-solving.

- ***Implementation of Key Training Programs***

New comers training: Empower teenage talents in their growth

To help recent graduates swiftly transition from campus to the workplace, a specialized training program for new employees was conducted from July to November 2025. 80 recent graduates participated in this 62-day systematic cultivation. The training adopted a "theory + hands-on practice" approach, covering four major modules: outdoor team building, core manufacturing processes, quality systems and EHS systems. This comprehensive program solidified new employees' professional foundations and collaborative capabilities.

Curriculum of New Comers Training

Training modules	Duration of training (days)	Core content
Outdoor team-building training	2	Teamwork, stress management and corporate culture integration
Manufacturing process training	48	FOL manufacturing process, EOL manufacturing process, TEST manufacturing process, REOL manufacturing process (12 days each)
Quality system training	6	Quality control standards, process specifications and quality tool applications
EHS system training	6	Safe production guidelines, environmental management requirements and emergency response procedures

Technology Innovation Training: DFSS Innovation and Continuous Improvement

To build core competitiveness driven by research and development and innovation and cultivate systematic engineering thinking among technical personnel for problem-solving, the first phase of DFSS (design for Six Sigma) innovation and continuous improvement training was held between May 2025 and January 2026. 64 core engineers participated in a 60-day phased training program. Through systematic theory lessons and practical exercises, the program enhanced the technical team's innovation capabilities and problem-solving efficiency, injecting momentum into the Company's product iterations and technological breakthroughs.



International Competency Training: Oral English Improvement Program

To align with global trends and enhance internal cross-cultural communication and collaboration, we provided targeted oral English trainings in 2025. The program covers both foundational and advanced levels to meet the learning needs of employees with varying English proficiency. Through systematic language training, this program elevates employees' cross-cultural communication capabilities and supports the development of the Company's international talent pipeline.





Curriculum of Oral English Training

Training level	Training target	Core value
Foundational training	Master essential English skills for daily office tasks and workplace communication	Meet basic cross-cultural communication needs
Advanced training	Enhance professional English application and business communication skills	Support the development and collaboration of international business operations

Foundational oral English training	Advanced oral English training
	

Online Training Platform: Construction of Digital Learning Ecosystem

Leveraging our self-developed Distributed Control System (DCS) online training platform, we have established an integrated digital learning ecosystem encompassing "course learning — assessment and evaluation". In 2025, the platform launched a total of 938 active courses and 1,710 active exam papers. For the year, 108,436 exams were completed, with 25,961 total attendances in video lessons and cumulative lesson duration reaching 294,548 minutes. The online platform breaks spatial and temporal constraints, providing employees with flexible and convenient self-directed learning channels that foster a culture of continuous learning.

Employee Development

The Company adheres to the philosophy that "employee growth resonates with corporate development". It has established a dual-track career development pathway combining "management pathway + professional pathway", while simultaneously refining three supporting systems: vocational skill certification, academic qualification advancement and professional title applications. This provides employees with comprehensive, multi-dimensional growth support, helping them overcome career bottlenecks and achieve mutual elevation of personal value and corporate value.

- ***Dual-track development pathway***

  The Company breaks through the limitations of single career paths by establishing a dual-track promotion system that integrates management and professional career paths. This enables employees with diverse talents and expertise to find clear growth directions.

  Management pathway: This pathway focuses on team management, strategy execution and organizational coordination capabilities, which caters to employees at levels ranging from frontline team leaders and mid-level managers to senior decision-makers, offering a progression path for those with management potential from team leadership to organizational coordination;

  Professional pathway: This pathway emphasizes in-depth technical expertise, professional refinement and innovative breakthroughs, which covers entry-level, mid-level, senior-level and expert-level positions. It establishes a career progression pathway for technical leaders and specialized professionals, enabling promotion without transitioning into management roles. This approach encourages employees to become recognized authorities and industry experts within their respective fields.



- ***Tiered talent cultivation and development programs***

In order to support the continuous growth of employees at all levels and high potential talents in reserve, the Company has formulated differentiated skills and knowledge training and development programs for every level of positions and development potential. The Company has established a synergistic mechanism between training and promotion. Employees who have completed training programs at all levels with excellent assessment will be prioritized for inclusion in the reserve pool for promotion and will receive additional points in the annual promotion assessment. During the reporting period, through the above training system, the Company's internal promotion ratio for key positions has significantly increased, and the coverage rate of employee training reached 100%.

Training item	Targeted level of employees/target	Coverage	Frequency
New Comers training	Recent graduates (junior positions, 0–1 year of service)	80 participants in 2025	One phase per year spanning 62 days
DFSS innovation and continuous improvement training	Core engineers (mid- and high-level technical positions)	64 participants in 2025	Launch on demand, first phase in 2025–2026 (60 days in several stages)
Targeted Oral English training	Employees with cross-cultural communication needs (basic + two levels enhancement)	Open to all employees, focusing on positions related to internationalization business	Continuous year-round, graded according to basic/improvement level
DCS online training platform	All employees (self-learning mode)	Cover all employees (2025: 938 courses, 1,710 test papers)	Continuous year-round, self-learning

- ***Vocational skill certification***

To enhance employees' professional skills and standardize the evaluation criteria for skilled personnel, the Company has established a robust vocational skills certification mechanism. It implements tiered certification for core job categories, providing essential support for professional career development. In March 2025, we organized certification for technicians and senior technicians. In September, we conducted certifications for senior workers, covering the three key positions of industrial robot system maintenance technician, semiconductor discrete device and integrated circuit bonding technician, and optical lens assembly and calibration technician. By combining theory assessments and practical evaluations, we maintain tight control on the quality of skill certification. Throughout the year, 46 employees successfully obtained certification, including 16 with senior technician qualifications and 10 with technician qualifications. This further strengthened the Company's pool of highly skilled professionals.

- ***Academic qualification advancement***

To meet employees' needs for academic advancement, the Company has established an extensive partnership with the School of Continuing Education of Guangdong University of Science and Technology for all employees of the Company (including part-time employees and contract employees). This collaboration provides academic programs including high school to junior college and junior college to bachelor's degree, offering academic credentials to support dual-track career development. In 2025, a total of 12 employees were admitted to junior colleges and 15 employees were admitted to bachelor's degree programs. Leveraging high-quality educational resources from industry-academia partnerships, we help employees to bridge academic gaps and enhance their overall competencies, laying a solid foundation for career advancement and long-term development.

- ***Professional title applications***

To ensure smooth employee career advancement pathways, the Company has partnered with Guangdong University of Science and Technology to provide professional guidance services for professional title applications. This comprehensive support covers the entire process, including explanations of application procedures, assistance with document preparation and analysis of key evaluation criteria, thereby ensuring professional title qualifications for dual-track career development. In 2025, a total of 11 employees successfully received their corresponding professional titles, while 17 employees signed up for professional title qualifications. By promoting employees through professional title advancement, we incentivize continuous improvement in professional capabilities, creating a positive loop of "skill enhancement — title promotion — value realization".

Community Involvement

The Company consistently integrates social sustainability into its core strategy, embracing its responsibility as a local corporate citizen. Through the three key initiatives of industry empowerment, community engagement and compliant operations, we become deeply integrated into the development ecosystem of its operating regions, collaborating with communities, universities and partners to build a harmonious environment of mutual growth and shared prosperity, demonstrating the Company's social value and commitment to responsibility. The community investment activities of the Company strictly comply with the Donations for Public Welfare Law of the People's Republic of China and other relevant laws and regulations, ensuring the transparent and compliant use of donations. We have formulated the "Social Responsibility Management Manual", promising to actively fulfill our corporate citizenship responsibilities by investing resources and volunteering to support public welfare initiatives in the communities in which we operate, including education, environmental protection and poverty alleviation, thereby achieving mutual development between our enterprise and the community.

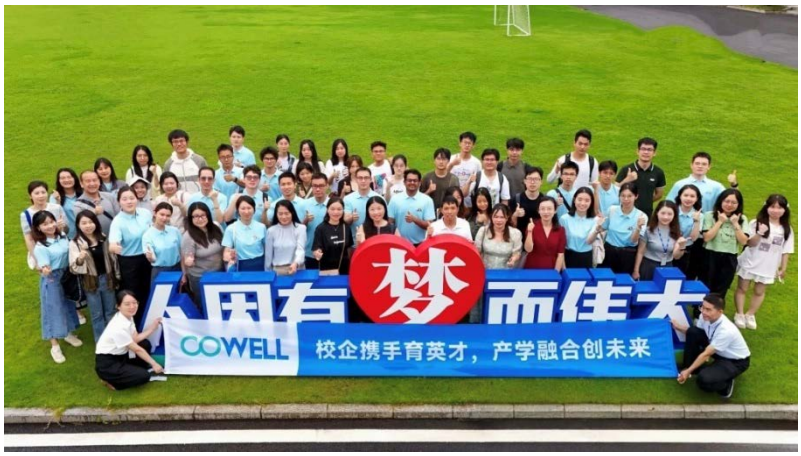
- **Industry-academia Integration and School-enterprise Collaboration**

  The Company proactively responds to the national strategic call to "deepen industry-academia-research integration and strengthen the leading role of enterprises in technological innovation". In 2025, the Company has systematically established in-depth collaborations with local universities to build an industry-education integration ecosystem centered on "joint talent cultivation, collaborative innovation research, and shared industrial advancement", thereby injecting momentum into regional talent development and industrial upgrading.

  Joint establishment of employment and training base: We collaborate with universities to establish specialized training platforms and graduate employment bases, integrating authentic enterprise production scenarios and technical standards. This provides students with immersive practical learning environments and stable employment pathways, thereby establishing a talent development chain that encompasses "theory learning — practical training — job fit assessment". On 17 April, 2025, the Company entered into a graduate employment base agreement with Hunan University of Arts and Science, establishing a long-term, stable talent supply and cooperation relationship. In May, Cowell participated in the industry-academia ecosystem development forum held by Xidian University and internship and job fair for graduate students, providing high-quality internship positions and career development opportunities for graduate students in universities.



Joint curriculum development and collaborative talent cultivation: Based on industry trends and corporate job requirements, we collaborate with universities to develop customized curriculum systems. By integrating cutting-edge technologies, process standards and corporate practical experience into teaching content, we enhance the precision and relevance of talent cultivation. On 10 July, 2025, Cowell cooperated with faculty and student representatives from 15 nationally renowned universities, including Peking University, Zhejiang University and the University of Chinese Academy of Sciences, engaging in in-depth industry-academia cooperation under the theme of "partnering to cultivate talent, integrating industry and academia for the future" and reaching multiple cooperative agreements on topics including innovation in talent development models and joint construction of curriculum systems.

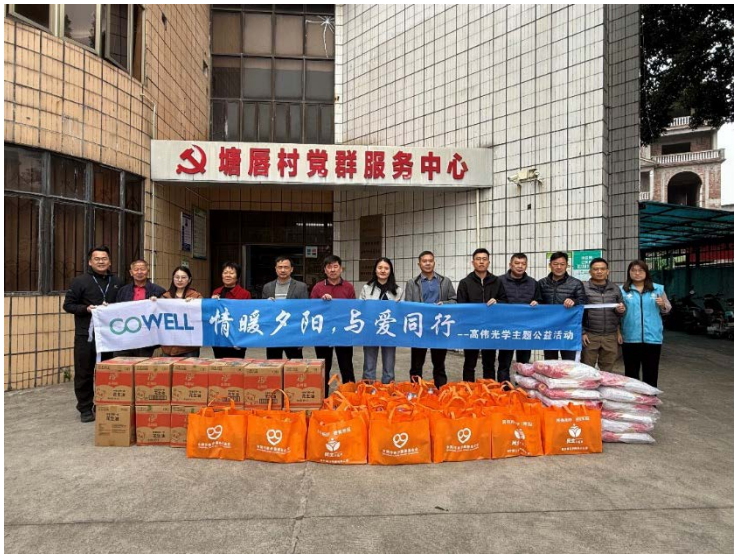


Industry-academia-research collaboration and innovation: We collaborate with universities on joint research projects, focusing on tackling core technological challenges and product iteration upgrades, and integrating scientific research resources from both academic and industrial sectors to accelerate the commercialization of technological innovations and drive high-quality industrial development. On 20 November, 2025, the Company entered into an industry-academia-research contract with Dongguan University of Technology, under which we engaged the university to conduct technical analysis and talent development for the project of "Development of Semiconductor Laser Ranging Technology and its Application in AI Robot Intelligent Base Replacement Systems", achieving simultaneous advancement in scientific research innovation and talent reserves.

- **Community Welfare and Contribution**

The Company has always adhered to the philosophy of "taking from society and giving back to society", actively engaging in community public welfare initiatives. We focus on caring for vulnerable groups, demonstrating our commitment through concrete actions to support the community and foster its harmonious development. In 2025, our employees participated in approximately 50 hours of volunteer works.

On 26 December, 2025, Cowell Optic Electronics cooperated with the Residents' Committee of Tangchun Community and Dongguan Liaobu Charity Association (東莞寮步慈善會) to jointly hold the "Warmth in Sunset, Walking with Love" (情暖夕陽，與愛同行) themed charity event. The event focuses on elderly members of the community, organizing volunteers to visit 24 households with seniors aged 90 or above. We provided them with essential supplies and heartfelt regards, effectively addressing the daily needs of some vulnerable seniors. This effort conveyed corporate care and social warmth during the cold winter months.



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General Disclosures & KPIs	Description	Page number	Remarks
Aspect B7: Anti-corruption			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		12	
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.	12	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	13	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	14	
COMMUNITY			
Aspect B8: Community Investment			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		69	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	69	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	69	

Feedback Form

Dear readers,

Hello! Thank you very much for taking time to read our ESG Report. To improve the compilation of the report and enhance the capability of Cowell to perform its duties, we are looking forward to your comments and ideas on the report. We would like to thank you once again for your support!

1. Which of the stakeholders to Cowell below best describes you?

   ☐Government and regulatory authority ☐Shareholder and investor ☐Customer ☐Supplier
   ☐Employee ☐Business partner ☐Community member ☐Mass media

2. How would you rate this report in general:

   ☐Very good ☐Good ☐Fair ☐Poor ☐Very poor

3. How would you comment on the layout and design of this report:

   ☐Very reasonable ☐Relatively reasonable ☐Average ☐Poor ☐Very poor

4. How would you rate the readability of this report:

   ☐Very good ☐Good ☐Fair ☐Poor ☐Very poor

5. How would you rate the quality of information regarding sustainability disclosed in this report:

   ☐Very high ☐High ☐Average ☐Low ☐Very low

6. Do you have any other comments or advice on the compilation of the report or responsibility fulfilment?

You may send your feedback above by mail to No. 302 Songbai Road, Huanan Industrial Zone, Liaobu Town, Dongguan City, Guangdong Province.