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1 Chairman's Statement



In 2025, the global economic landscape remained complex and volatile, with intensifying major-power rivalry, accelerated restructuring of industrial chains, and deep intertwining of technological revolution and industrial transformation. Despite the uncertainty in the market environment, the consumer electronics industry demonstrated resilience, showing signs of gradual recovery across the global consumer electronics industry. Facing severe challenges from the external environment, the Group persevered through adversity, remaining focused on strengthening the competitiveness of its core businesses. We actively formulated diversified strategies to address market challenges and promote sustainable business development. Driven by product diversification and steady growth in orders from brand clients, the Group achieved a surge in both revenue and profit.

During the year ended 31 December 2025, the Group strictly abided by applicable national laws and regulations on environmental protection, fire safety and employment, refined administrative systems, and vigorously conducted energy conservation and emission reduction activities in a socially responsible manner. The Group was selected by Huizhou City as one of the first pilot units for the "Zero Waste Factory" and received the "Green and Low-Carbon Development Award" from the Huizhou Zhongkai High-tech Industrial Development Zone. It also strengthened information security management by successfully implementing several new information security measures. The Labour Union and the Human Resource Department continued to renovate the existing dormitory and canteen facilities to provide a more comfortable living environment for the employees, and also organized a number of cultural and sports activities and activities to give back to the community so as to foster harmony between the Group and its stakeholders. In terms of production, the Group has continued to invest in the renovation of its intelligent production equipment by increasing the blind-hole screen production lines to 12 and adding two medium-sized production lines in order to accommodate the increasing orders for products.

In the long run, the Group will continue to strengthen its competitive advantages and infrastructure, further deepen its partnerships with top brand customers, and continue to keep a close eye on industry development, striving to maintain a balance between sales growth and healthy development.

The Group will stay committed to fulfilling its environmental and social responsibility and better reward our stakeholders.

LIAO Qian
Chairman
Hong Kong, 24 April 2026

2 About the Report



2.1 STATEMENT OF THE BOARD

The board (the “Board”) of directors (the “Directors”) of China Display Optoelectronics Technology Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), holds the overall responsibility for the Group’s environmental, social and governance (“ESG”) issues and acknowledges its responsibility to ensure the truthfulness of this report and to the best of its knowledge, this report has disclosed material issues, and gives a fair view of the Group’s performance in ESG aspects and the relevant impact. The Board is accountable for examining and approving the Group’s ESG management approach, strategies, policies, objectives, goals and targets, and priorities, ensuring the effectiveness of the Group’s ESG risk management and internal control systems and reviewing the Group’s performance periodically against ESG-related goals. This report has been reviewed and approved by the Board.

Governance

The sustainability committee of the Group (the “Sustainability Committee”) comprises the Group’s chairman, chief executive officer and Directors and is responsible for evaluating, prioritizing and managing material ESG-related issues and risks to the business of the Group, and reporting to the Board regularly as and when appropriate. In addition, the Group has also established a sustainability working group which includes senior management of relevant business functions and is responsible for collating ESG data and carrying out relevant ESG work. The sustainability working group will regularly update the Sustainability Committee on ESG-related work.



About the Report

The Group has always incorporated corporate social responsibilities in its corporate strategies and operations. To ensure compliance with its social responsibilities and obligations in respect of sustainable development, the Group integrates ESG objectives into its business strategies. In response to the call for the “Dual-Carbon Strategy” of the People’s Republic of China (the “PRC”), the Group has formulated its ESG strategies in accordance with the “No. 14 – Social Responsibility of the Specific Rules for Internal Control” of TCL Technology Group Corporation (the ultimate controlling shareholder of the Company, hereinafter “TCL Technology”), covering organizational governance, employment promotion and employee rights protection, health and safety, environmental protection, fair operation, consumer relations, community engagement and development, carbon peaking, carbon neutrality and common prosperity.

The Group sets targets and indicators for different ESG aspects to reduce the impact on the environment caused by the business activities of the Group. The Group’s ESG targets and indicators are set in relation to its business. Based on the Group’s total sales volume and operating conditions, the Group has set targets for different departments in various aspects such as corporate governance, product quality, environmental emission reduction, employee health and safety, and training in strict compliance with the laws and regulations, and evaluates the progress of each department. Through on-site audits, online monitoring and other methods, the sustainability working group monitors ESG risks, identifies and reports risk items, and facilitates business rectification. The Sustainability Committee of the Group regularly reviews the progress of ESG-related goals and reports to the Board.

2.2 REPORTING SCOPE

The ESG reports of the Company are published on an annual basis and the reporting period of this report covers the financial year of 2025 (i.e. from 1 January 2025 to 31 December 2025, hereinafter the “Review Period”). The policies and data mentioned in this report cover the Group and substantially all of its subsidiaries, including China Display Optoelectronics Technology (Huizhou) Co., Ltd. (“CDOT Huizhou”) and Huizhou Kedate Zhixian Technology Company Limited* (惠州科達特智顯科技有限公司, hereinafter “Kedate Zhixian”), the principal place of business of which was Huizhou, PRC, where major economic activities of the Group were carried out. This report aims to provide a balanced reflection of the Group’s environmental, social and governance performance concerning the environment, workplace, supply chain management, product responsibility and community, and in particular, the ESG affairs that may have had a significant influence on the sustainability of the Group’s business operations and which are of concern to all stakeholders. The reporting scope of this report is substantially the same as that of the 2024 ESG report of the Company.

The operating branches of the Group located in other places such as Hong Kong, which mainly provide business support operations, are not covered in this report as their economic activities do not have any significant impact on the social and environmental aspects.



About the Report

2.3 BASIS OF PREPARATION

The 2025 ESG report of the Group is prepared in accordance with the disclosure requirements set out in the Environmental, Social and Governance Reporting Guide (the “Guide”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to reflect the Group’s performance in environmental, social and governance responsibilities in a truthful manner.

This report was prepared by the Board and senior management of the Group who are responsible for key functions of the Group. They have assisted the Group in reviewing its operations, identifying key ESG issues and assessing their importance to its business and stakeholders. A materiality assessment has been conducted to identify ESG factors that have the most significant impact on the Company’s business and its stakeholders.

The Group adopts the following reporting principles in the preparation of this ESG report:

Materiality

The Group identifies ESG issues and factors based on the impacts on the society and the environment, the degree of concern of stakeholders, industry conditions and the Group’s characteristics. Material issues that have a significant impact on the Group’s development and on stakeholders are categorized into six aspects, namely corporate governance, products and services, environment, supply chain management, employees, and communities. The details of the significant stakeholders identified and the process and results of the stakeholder engagement are disclosed in Section 3.3 “Communication with Stakeholders and Analysis of Material Issues” of this report.

Quantitative

The Group has established ESG key performance indicators in accordance with the Guide. Relevant data on emissions and/or energy consumption is monitored and recorded by various departments on a daily basis using instruments and meters, collected by persons in charge of the Group’s ESG management through regular collation, verification, calculation and analysis, and then integrated and reviewed by the Group’s sustainability working group. Information on the standards, methodologies, assumptions and/or calculation tools used, and sources of conversion factors used, for the reporting of emissions and/or energy consumption, where applicable, is appropriately disclosed in this report.

Consistency

The collation methodology of the key performance indicators in this report is consistent with that disclosed in the ESG Reports in the past three years. No changes have been made other than those described in Section 2.2 “Reporting Scope” of this report.

This report is prepared in Chinese and translated into English. In the event of any inconsistency or conflict between the Chinese version and the English version, the Chinese version shall prevail. To protect the environment, printed copies will only be provided upon specific request.

2.4 COMMENTS AND RESPONSE

We welcome suggestions from stakeholders on the management strategy and performance of the Group in promoting sustainable development. You may contact us via:

Tel: (852) 2437 7610

Email: ir.cdottcl.com

The English translation of Chinese names or words in this report, where indicated by “*”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

3 About the Group



3.1 CORPORATE PROFILE

Founded in August 2004, the Group is one of the key suppliers of small and medium-sized display modules in the PRC, and is primarily engaged in the research and development (“R&D”), manufacturing, sale and distribution of liquid-crystal display (“LCD”) modules mainly for terminal use. In August 2022, the Group acquired Kedate Zhixian, which mainly engaged in the development, manufacture and sales of smart control system and devices. The Group has factories in Chinese Mainland and distributes its products in Asia, with Hong Kong and Chinese Mainland as its main markets.

3.2 CORPORATE GOVERNANCE

Governance Structure

The Board, which is the governing body of the Company, endeavours to maintain sound corporate governance and business practices upholding the mission of developing into a leading LCD module enterprise. There are three special committees under the Board, namely the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”). The Board is responsible for formulating business plans, long-term strategies and business development objectives of the Group. Matters relating to professional expertise are first considered by the special committees before being submitted to the Board for consideration in accordance with their respective terms of reference.



About the Group

Corporate Governance

As at the date of this report, the Board comprises 9 Directors, all possessing professional background and/or extensive professional expertise specifically required to supervise and monitor the Group's strategy. The Board, headed by its chairman, sets the business policy of the Company. The Board is responsible for maintaining proper corporate governance, formulating the long-term strategy of the Company, setting business development objectives, assessing the effectiveness of management policies, monitoring the performance of the management and ensuring the effective implementation of risk management measures on a regular basis. The Board is accountable to shareholders in respect of the Company's long-term development and success.

During the Review Period and as at the date of this report, the composition of the Board is detailed as follows:

Non-Executive Director

Mr. LIAO Qian (Chairman)

Executive Directors

Mr. OUYANG Hongping (resigned on 4 July 2025)

Mr. WEN Xianzhen (resigned on 6 August 2025)

Mr. XI Wenbo

Mr. WANG Xinfu (resigned on 17 October 2025)

Mr. ZHANG Feng (Chief Executive Officer) (appointed on 4 July 2025)

Mr. ZHANG Caili (appointed on 6 August 2025)

Mr. HAI Hong (appointed on 28 November 2025)

Independent Non-Executive Directors

Ms. HSU Wai Man Helen

Mr. LI Yang

Mr. XU Yan

Ms. YANG Qiulin

The Directors hold regular meetings to review the Group's financial and operational performance, as well as to discuss and plan future development initiatives. Regular Board meetings are attended by the majority of Directors either in person or by other means of electronic communication. During the Review Period, the Board held 4 regular meetings and 7 additional meetings. The Company held 3 general meetings. Work on corporate governance functions completed by the Board during the Review Period included the following:

- Review the Company's corporate governance policies and practices;
- Review and monitor the training and continuing professional development of Directors and senior management personnel;
- Review and monitor the Company's policies and practices regarding compliance with legal and regulatory requirements;
- Review and monitor codes of conduct for employees and Directors; and
- Review the Company's compliance with the corporate governance code and disclosure in corporate governance reports.

The Board is responsible for ensuring that the Group has in place and maintains appropriate and effective internal control and risk management systems. The Group has adopted a set of internal control policies and procedures for risk management to ensure asset security and guarantee the safekeeping of accounting records and the credibility of financial reports, so as to ensure compliance with relevant laws and regulations. At the same time, the Company has adopted a Board Diversity Policy, which sets out the principles for achieving and maintaining diversity on the Board to enhance its effectiveness. The Company recognizes the benefits of Board diversity and is committed to ensuring that the Board possesses the appropriate balance of technical expertise, experience and perspectives necessary to support the execution of the Company's business strategy. In seeking to achieve Board diversity, the Company will consider a variety of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and tenure. The Company will also consider various factors in light of its business model and specific needs from time to time to determine the optimal composition of the Board. All appointments and successions to the Board are based on the principle of meritocracy, and the benefits of Board diversity are fully taken into account using objective criteria when evaluating candidates.

For more details on the corporate governance of the Group, please refer to the 2025 Annual Report of the Company.









About the Group

3.3 COMMUNICATION WITH STAKEHOLDERS AND ANALYSIS OF MATERIAL ISSUES

Communication with Stakeholders

The Group places great emphasis on comprehensively engaging all stakeholders, including government agencies, customers, shareholders/investors, employees, suppliers, and local communities. To ensure effective interaction with all stakeholders, the Group has established a continuous two-way communication mechanism through diverse channels, such as financial reports, ESG reports, research and analysis, regular dialogues and thematic meetings. Details are provided in the table below:

Stakeholders	Major concerns	Major management measures	Communication methods
 Governments	Legal compliance, policy implementation, tax payment, environmental protection, social responsibility	Establish compliance management system, conduct regular policy briefings and risk assessments to ensure tax transparency, actively participate in government-led environmental protection initiatives, and fulfill our social responsibilities	Submit reports on a regular basis (such as tax reports and environmental reports), actively participate in policy seminars, and organize regular dialogue and exchange sessions between government and business
 Customers	Product quality, service standards, delivery timeliness, eco-friendly products, consumer rights, information security, etc.	Establish customer satisfaction survey system, implement product traceability system, launch lines of eco-friendly products, and set up customer service hotline	Collect feedback through regular surveys and maintain close communication to understand customer needs
 Shareholders/ Investors	Financial performance, dividend distribution, ESG performance, risk management, corporate governance	Regularly publish financial and ESG reports, host investor days, and establish risk management committee	Secure timely information disclosure through general meetings, results release, investor conferences, industry conferences and the official website
 Employees	Work environment, career development, compensation and benefits, labor rights, corporate culture	Conduct employee satisfaction surveys, establish career development programs, provide health insurance, and establish labor union committee	Set up suggestion boxes, conduct career development training, publish internal newsletters and hold employee communication meetings on a regular basis
 Suppliers	Supply chain management, partnership stability, payment terms, environmental requirements, social responsibility	Establish supplier evaluation system, implement green supply chain management, and sign social responsibility agreements	Organize supplier conferences, conduct supplier evaluation meetings, and provide technical training support
 Communities	Corporate social responsibility, environmental protection, philanthropic contributions, community engagement, brand image	Establish an environmental management system to prevent, control and monitor the discharge of wastewater, waste gas, solid waste and noise, to meet the discharge standards; and organize volunteer activities and encourage employees to participate	Encourage employees to participate in volunteer activities, reinforce day-to-day communication, and actively support community work



About the Group

ESG Significant Issues

The Group identifies the material ESG issues that stakeholders are concerned with (as detailed in the table below) from various channels and has set up assessment indicators for the significant issues identified, thus facilitating relevant departments to attach importance to and vigorously monitor the same in order to achieve relevant goals.

Most concerned issue	Category	Corporate management indicator	Performance
Integrity and compliance in operations	Corporate governance	Number of losing cases of complaint about non-compliance	Nil
Occupational health	Health and safety	Number of cases of occupational diseases	0
Production safety management	Health and safety	(i) Number of serious casualties (ii) Minor injury rate ¹	(i) Nil (ii) 0%
Protection of intellectual property rights	Information security	Incidents of intelligent property rights infringement	0
Quality control	Product responsibility	Occurrence rate of product safety accidents ²	0%
Hazardous substance management	Product responsibility	Number of complaints about non-compliance with regulations of hazardous substances	0
Information security	Product responsibility	Number of serious/level I information security incidents	0
Integrity	Social responsibility	Number of incidents of integrity violations	0
Labour employment	Social responsibility	Number of labour employment violations, such as child labour, forced labour, discrimination, etc.	0

Notes:

- Minor injury rate = Number of work-related injuries for the Review Period/Total number of employees at the end of the year*
- Occurrence rate of product safety accidents = Batches of products manufactured involving safety accidents/Total batches of products manufactured*

4 Corporate Operation



4.1 SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

The Group places corporate social responsibilities at the core of its strategies. By continuously optimizing relevant management systems relating to social responsibility, the Group pursues excellence in key areas such as quality, environment, occupational health and safety, supply chain ethics, energy efficiency, and information security management.

In line with international standards, the Group has obtained the following eight core management system certifications:

1. Quality management: ISO 9001:2015
2. Occupational health and safety: ISO 45001:2018
3. Environmental management: ISO 14001:2015
4. Toxic and hazardous substances control: IECQ QC 080000:2017
5. Energy management: ISO 50001:2018
6. Information security: ISO/IEC 27001:2022
7. Greenhouse gas emissions management: ISO 14064-1:2018 and GHG Protocol
8. Social responsibility: RBA 8.0 (Responsible Business Alliance standard)



Corporate Operation

In 2025, the Group successfully passed the comprehensive audit and certification by a third-party organization against the RBA 8.0 standard, signifying that the Group has reached international advanced levels in aspects such as supply chain ethics, labor rights, environmental responsibility, and corporate governance. Meanwhile, the Group attaches great importance to customs creditworthiness and trade security. In 2025, the Group continued to optimize the Authorized Economic Operator (AEO) certificate system which complies with the standards of the World Customs Organization, consolidating its qualifications and capabilities as a law-abiding and compliant foreign trade enterprise.

During the Review Period, the Group did not have significant complaints or incidents relating to social responsibilities.

Certificates and reports for the Group's management systems are set out below:



ISO 14001



ISO 45001



ISO 50001



ISO 9001



Green Manufacturing Corporation



AEO Certificate



IECQ QC 080000



ISO/IEC 27001



Responsible Business Alliance Code of Conduct 8.0



Corporate Operation

4.2 TECHNOLOGY INNOVATION

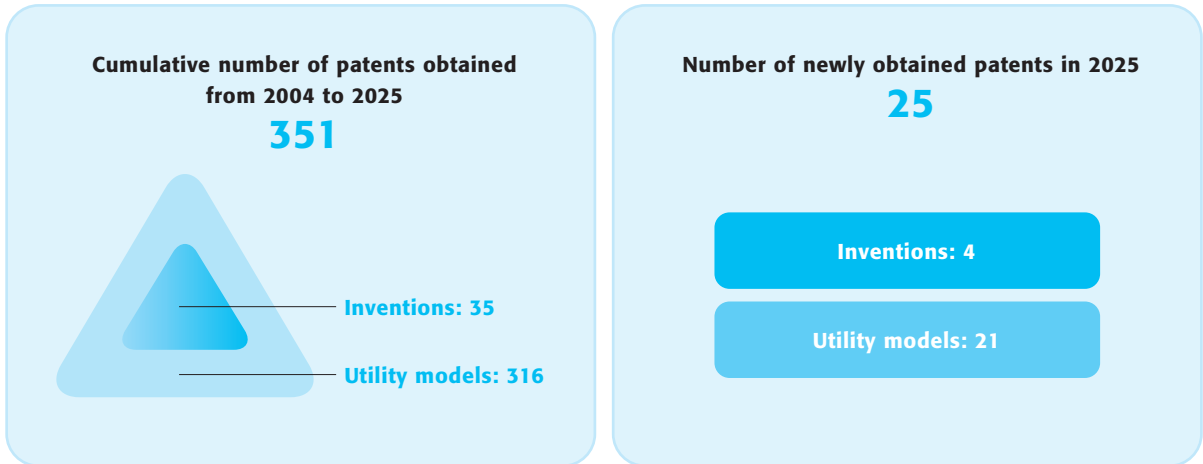
Research and Development in Technology

As of 31 December 2025, the average age of the product development personnel of the Group was approximately 33 years old, with active thinking and strong learning abilities; those with a bachelor's degree or above accounted for 86%; approximately 73% of the employees have abundant industry experience with more than 5 years of industry experience. Since 2024, the R&D team has focused on the development of amorphous silicon ("a-Si")/Indium gallium zinc oxide ("IGZO") mobile phone, tablet, and professional display businesses according to the Group's strategy, with a key focus on expanding technologies related to panel and module design.

In terms of technological preliminary research, the Group closely aligns with customer project needs and is committed to transforming technological capabilities into commercial value. In 2025, the Group achieved breakthroughs in several key technologies and successfully developed high-brightness a-Si mobile phone products and new oxide tablet products, etc., with subsequent research directions including areas such as narrow bezel displays and new eye-protection display modules.

As of 31 December 2025, the Group has obtained 351 granted patents, of which 35 were invention patents, respectively. Meanwhile, the engineering and production departments actively promote innovative production technologies, accelerate the application of new technologies and processes, improve the level of production intelligence and automation, reduce consumption and pollution; and continuously enhance product quality by promoting the application of lean production management and control systems.

As of 31 December 2025, the Group's patent application status is as follows:



Observation and Protection of Intellectual Property Rights

The Group attaches great importance to the protection of intellectual property rights, incorporating it into the corporate strategy and risk management framework. In accordance with the Intellectual Property Protection Law of the People's Republic of China and relevant international norms, the Group has formulated and implemented the Regulations on the Administration of Intellectual Property Protection to systematically standardize R&D processes, the delineation of rights and responsibilities, and the ownership of property rights.



Corporate Operation

To ensure the transparency and traceability of intellectual property management, the Group has clarified the division of responsibilities between the R&D and management levels, establishing a responsibility mechanism of “whoever creates is responsible for management and protection.” Through the signing of Intellectual Property Agreements and Technology Transfer/Licensing Agreements, the ownership of property rights and the scope of use are clearly defined. The Group has established a centralized and encrypted intellectual property archive library and implemented hierarchical access control to ensure that information is traceable and auditable. Furthermore, the Group includes the intellectual property of customers and suppliers in the Confidentiality Agreement signed by employees to block the risk of information leakage at the source.

The Group strictly follows the internal control system of TCL Technology Group to construct an intellectual property infringement risk prevention and control network from multiple dimensions such as human resources management, information security, supply chain review, and technical audit. Through regular global patent screenings, risk assessments are conducted on suppliers. Patent infringement risk analyses are performed on R&D solutions, and a dual mechanism of “patent monitoring + evasive design” has been established. Technical evasion plans are initiated for high-risk patents to ensure that product development and commercialization are legally compliant.

In terms of personnel awareness and institutional guarantees, the Group regularly provides intellectual property training for frontline product and sales staff to enhance the compliance awareness of all employees. Upon the discovery of malicious infringement acts, the situation is promptly reported to the Compliance and Legal Affairs Department for assessment and follow-up, forming a rapid response mechanism. Meanwhile, the Group strictly complies with the Patent Application Management System of TCL Technology and the Corporate File Management Measures of TCL Technology to ensure that the ownership of the Company’s patents is clear and that files and materials are properly managed, providing institutional support for intellectual property compliance management.

Based on the aforementioned systematic risk prevention and control, personnel training, and institutional guarantees, during the Review Period, no incidents of intellectual property infringement or being infringed occurred within the Group, fully reflecting the effectiveness and robustness of the intellectual property management system.

Equipment Upgrades, Smart Manufacturing and Process Optimization

During the Review Period, the Group was committed to the design and development of fully automated integrated production lines, achieving a fully connected production mode throughout the entire production process. The automation level of the Group’s production lines has significantly improved, with the equipment automation rate reaching 92%. The number of blind hole production lines has increased to 12, and the Group took the lead in completing the construction of an “in-line” blind hole production line, with a monthly production capacity of 4.8 million pieces. In 2025, the Group added 2 fully automated tablet production lines, and the monthly production capacity of medium-sized products exceeded 1.4 million pieces.



Corporate Operation

Process Optimization

In 2025, the Process Integration Department of the Group focused on resource conservation, quality improvement, and technical breakthroughs. It completed a total of 3 technological innovation projects, 5 auxiliary material resource saving projects, 1 Quality Control Circle improvement project, 2 Six Sigma improvement projects, and 2 patent projects, respectively. The core achievements are as follows:

Environmentally Friendly: Waste Reduction, Consumption Lowering, and Green Manufacturing

Standardised Management Project for Auxiliary Materials: Through automation substitution and process optimization, the use of volatile solvents/adhesives was reduced, and the types of diaphragms/fabrics were minimized, thereby reducing industrial waste generation at the source (for details, please refer to the section “Environmental Report” on page 33).

Innovation Project of Rework Technology for Medium-sized Products: Aiming at the insufficient basic rework capability and serious material loss of medium-sized products, the process technicians started from the Man, Machine, Material, Method, Environment, Measurement (“5M1E”) dimensions. They introduced breakthrough processes such as dry ice ultra-low temperature adhesive removal, wire-bow low-temperature disassembly, and spatula disassembly. During the implementation process, the team independently designed fixtures and solidified the process, achieving the rework technology from scratch. This significantly reduced production process loss and improved the overall rework yield rate, with a cumulative total of 2 patents applied for.

Quality-Oriented: Customer Recognition, Safety and Reliability

Bubble-free Coating Technology for Surface Glue: This technology tackled the challenge of bubble formation in coating (“Tuffy”) materials after application. By optimizing the material packaging and filling processes, and introducing the pressure bucket and dual piezoelectric spray valve mode, the bubble defect rate was reduced by 99%. This achieved “Do It Right the First Time” in-line rapid manufacturing without rework and received high recognition from customers.

Ultra-low Temperature Bonding Technology: In collaboration with material suppliers based on the characteristics of bonding materials, rapid heating and cooling technology was introduced to reduce the main bonding pressure temperature by 30-40°C. This effectively solved the problems of display spots and polarizer burns, ensured conduction performance, and supported the implementation of cutting-edge designs such as ultra-narrow bezels.

Improvement of Hot Press Welding Material Rejection: Aiming at the high material rejection rate in welding, a special Six Sigma improvement project was established. A comprehensive diagnosis was conducted across multiple dimensions, including Flexible Printed Circuit (“FPC”) material, flux concentration, circuit design, equipment mechanisms, process parameters, personnel management, and customer standards. The characteristic defect rate was improved by 60%, and the fully automated hot press welding technical standards were refined. This effectively enhanced product quality and production efficiency, and significantly reduced the risk of customer complaints.

Lean Operations: Data-Driven, Efficiency Leap

Polarizer Loss Rate Improvement for Medium-sized Products: The Group completed its first large-scale Six Sigma Green Belt project in seven years. The polarizer loss rate was improved by 56%, achieving dual optimization of quality and cost. Aiming at the persistent problem of excessive polarizer material loss in medium-sized products, the team conducted a full-process investigation to screen over a hundred key and potential influencing factors, formulating both “quick-win” and long-term improvement countermeasures.

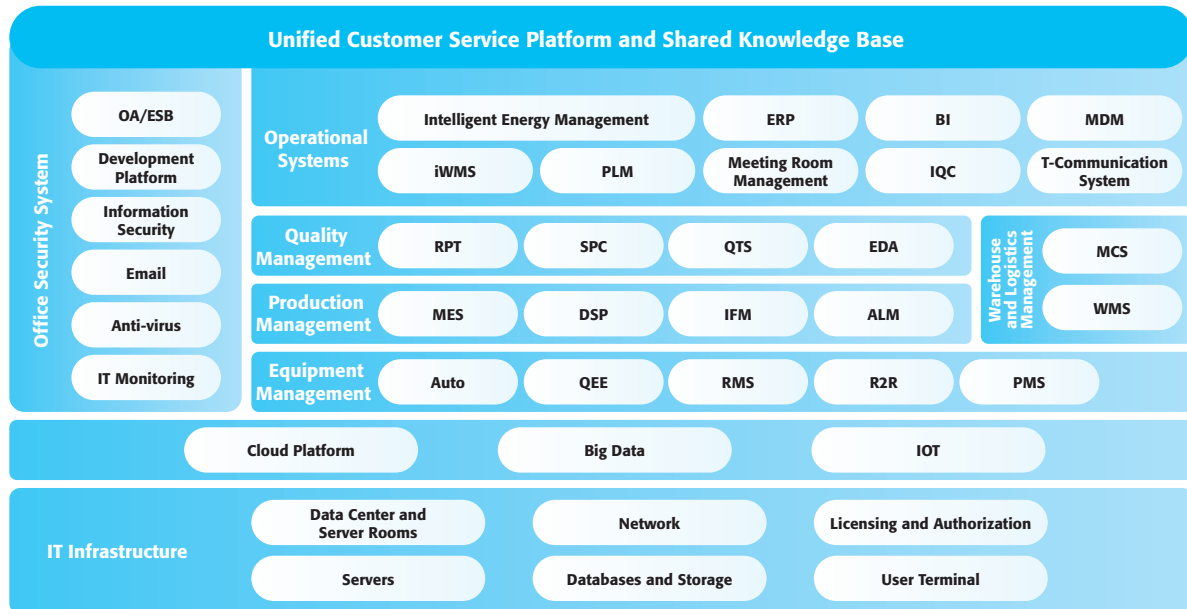
Slicing and Grinding Laboratory Put into Operation: The laboratory provides rapid and precise failure analysis for key customer projects, enhancing technical competitiveness and avoiding quality risks at the source. For characteristic problems (bonding/welding/components/structure) in projects, the Slicing and Grinding Laboratory provides professional analysis results to quickly identify production outcomes.

During the Review Period, the process technology team utilized Lean Six Sigma as a tool and followed a green and low-carbon orientation to continuously promote the upgrade of the manufacturing system toward high efficiency and intelligence.



Information Management

During the Review Period, the Group continued to optimize on the basis of its existing IT systems. By benchmarking against advanced enterprises in the industry, the Group completed the information construction architecture plan (as shown in the figure below), and is steadily promoting system improvement and upgrade work according to the plan.



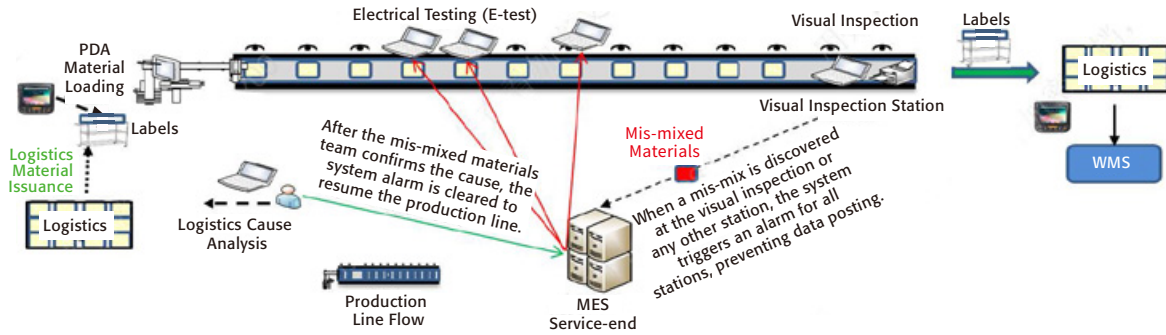


Corporate Operation

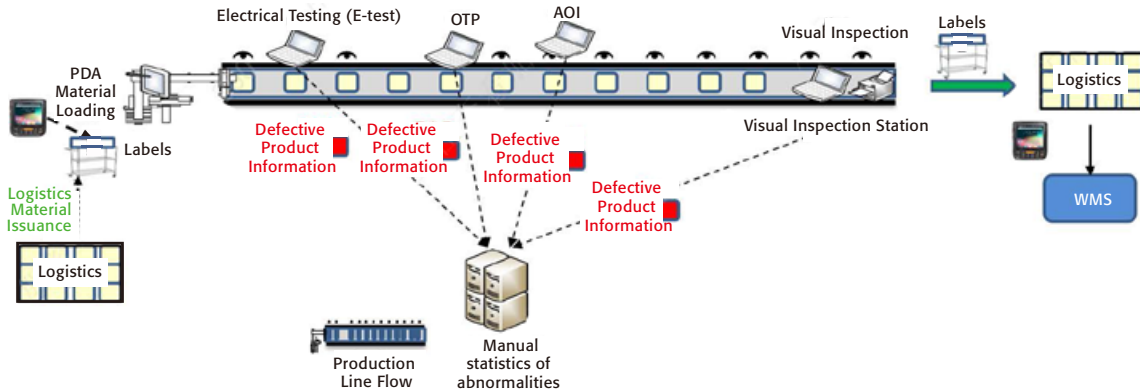
Information Management Systems

The Group continued to promote the construction of its information system. It has adopted systems such as Enterprise Resource Planning (“ERP”), Business Intelligence, and Product Lifecycle Management (“PLM”), and completed more than 110 development and configuration requirements, covering the introduction of the organizational structure, the material incoming inspection management process, the management of the inventory and orders, the change of the production mode, the sales shipments, the optimization of fixed assets and the direct connection management between the bank and the enterprise, etc. At the same time, the Manufacturing Execution System (“MES”) has completed more than 94 improvement requirements, focusing the optimization of production rework, the management of mis-mixed materials, inspection management, and product packaging management, etc. All the aforementioned system optimization requirements have been developed and put into operation, effectively enhancing operating efficiency, process standardization, and green manufacturing management levels.

Production Mis-mixed Materials Management



Production Inspection Management



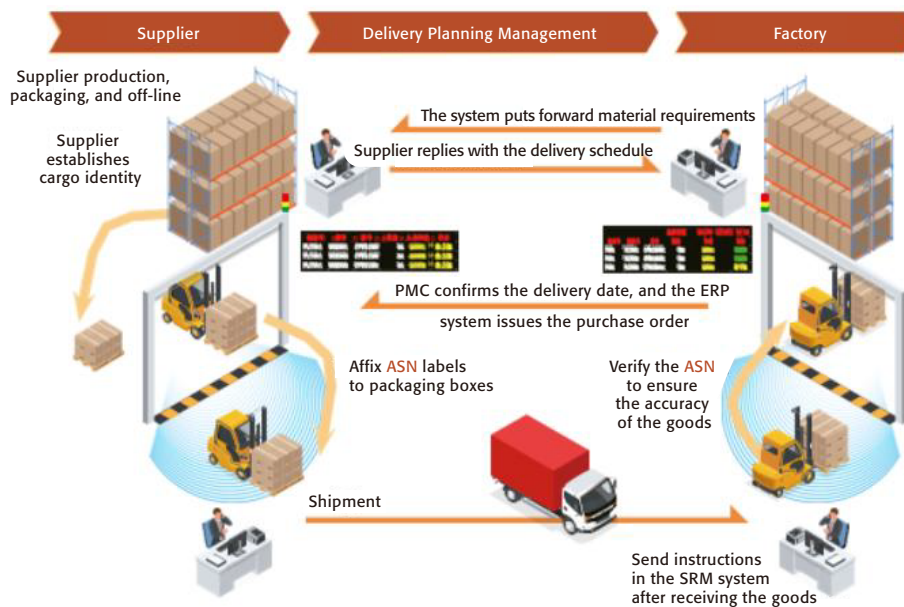


Paperless Standard Inspection System

To promote the construction of a digital factory and meet the paperless inspection requirements of first-tier brand customers, the Group has established a workshop Electronic Standard Operating Procedure (“E-SOP”) system. Through intelligent data maintenance, inspection early warning push, and inspection data analysis and statistical reports, this system has realized the complete paperless inspection form in the workshop, getting rid of the traditional mode of manually maintaining system data. This system can improve the cleanliness of the workshop, reduce paper costs, and prevent quality risks, thus enhancing customer satisfaction. During the Review Period, the Group saved approximately 14.5 million sheets of paper through paperless inspection and 48,000 sheets of paper through the use of other IT systems.

Supplier Relationship Management System

In order to cope with the rapid changes in the industry and meet customer needs, the Group has proactively promoted information construction to improve its customer response capability. On one hand, to meet the construction needs of the smart warehouse of the new factory, the Group is developing the Automatic System Number (“ASN”) function for the warehouse management system, which will reduce traditional manual operations upon completion. On the other hand, closely following industry trends, the Group introduced the Supplier Relationship Management System (“SRM”) to enhance the IT level of supply chain management. These measures have effectively promoted the implementation of electronic collaborative office work, enabled the tracing and closure of system abnormalities and closed-loop management, optimized operation processes, improved the standardization level of processes, and enhanced execution efficiency, preventing human operation errors and legal risks at the source.





Information Security Management

During the Review Period, the Group continued to strengthen its information security construction from both technical and management aspects.

On the technical level, the Group fully disabled automatic upload functions of websites and software through the watermark encryption system to eliminate upload-related vulnerabilities, and restricted the installation of unknown software to prevent the risk of pirated software at the source. The Group deployed an advanced threat detection system to achieve threat monitoring and intelligent risk judgment across internal and external network links, enhancing defense capabilities, shortening response times, and reducing operating costs and data leakage risks. The VPN was switched to a Zero Trust Architecture, strictly controlling access to internal network resources and performing security checks on terminals entering the network. Log storage was extended to over 180 days to meet compliance requirements.

On the management level, the Group strictly adheres to the ISO/IEC 27001 standard and continuously improves the information security management system. Privilege management was strengthened by reviewing system, access control, and special privileges to implement the principle of least privilege. Monthly cross-inspections between departments and log audits were conducted to promptly detect and handle information security incidents and enhance the security awareness of all employees. Ledgers were established for on-duty inspection equipment in the factory area, and camera control was implemented. Card-swipe printing was promoted to avoid leaving documents behind and reduce the risk of leaking confidential information. The management of data transfer stations was standardized, limiting them to temporary transit only and requiring regular clearing to effectively prevent the spread of viruses.

During the Review Period, no information leakage incidents occurred within the Group. All 23 target indicators at the Company level and the department level were achieved, and the renewal audit of the ISO/IEC 27001 system certification was successfully passed.

Compliance Management of Business Secrets

The Group integrates the compliance requirements of business secrets into policies, processes, projects, and transactions, and ensures that employees implement them through the following means:

- **Training and Assessment:** Regularly conduct information security training for new employees, current employees, and specialized projects, and organize examinations to continuously enhance employees' awareness of information security;
- **Cultural Publicity:** Regularly carry out publicity on the protection of business secrets to strengthen the compliance culture atmosphere.



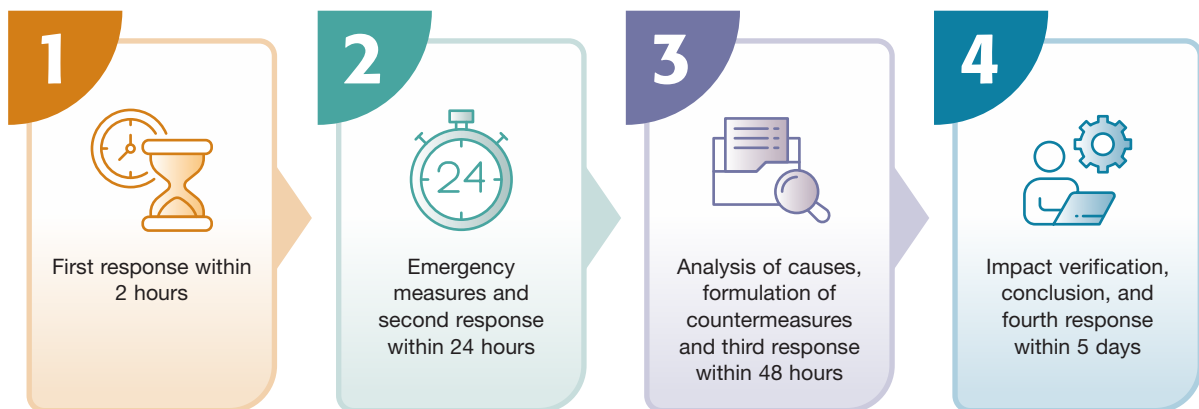
4.3 MARKET AND CUSTOMERS

In 2025, by leveraging the brand and resource advantages of TCL Technology, the Group successfully secured several leading brand customers despite the overall sluggish industry situation, further enhancing its market competitiveness. In addition, the Group's business scope has been continuously expanded to include not only mobile phone module business, but also multiple fields of businesses such as tablets, smart home and smart education. The sales model of the Group has also shifted from a single mode to a diversified one, which can better meet the needs of customers and provide strong support for the Group's sustainable development.

After-sales Service of Products

The Group has a complete after-sales service management process and a high-quality service team, and it collaborates with TCL China Star Optoelectronics Technology Company Limited ("TCL CSOT") to continuously enhance its after-sales service capabilities. During the Review Period, the Group drew on the experience of TCL CSOT's digital customer data platform to identify customer quality risks through the system, further enhance customer data early warning capabilities, promote internal quality improvements, and reduce abnormalities at the customer end, thereby enhancing customer satisfaction with product quality.

The 2485 principle for processing customer complaints



In 2025, the Group strictly implemented the 2485 principle for processing customer complaints. By relying on the digital work order system, standardized response scripts, and cross-departmental synergy mechanisms, the Group achieved a significant increase in complaint response efficiency and continuously optimized customer experience.

During the Review Period, the Group's customer return rate (the ratio of the cumulative number of defective products reported by customers to the total number of products sold) decreased by 13% compared to the previous year.

Customer Privacy Protection

The Group attaches great importance to the protection of customer privacy and takes the following measures to ensure the security of customer information:

- **Compliance with Laws and Regulations:** Strictly comply with relevant laws and regulations such as the Patent Law of the People's Republic of China (2020 Revision), the Anti-Unfair Competition Law of the People's Republic of China (2022 Revision), the Several Provisions on Prohibiting Acts of Infringing Business Secrets (2023 Revision), and the Patent Law (2020 Revision).



Corporate Operation

- **Information Management System:** Formulate and implement customer information security management systems and remedial measures, and set different levels of confidentiality areas for different customers (for example, set the design, production, and storage areas of unlaunched new products as enhanced confidentiality areas).
- **Physical Security Assurance:** Set access rights for the production and storage areas of customer products, and restrict the use of photography and filming facilities.
- **Data Confidentiality Management:** Carry out privacy and confidentiality management of customers' data, documents, and materials to protect customers' intellectual property rights and business secrets.
- **Emergency Handling of Leakage:** In case of customer privacy leakage, the relevant information will be immediately retrieved and deleted. At the same time, the Group will take the initiative to report to the customers, sincerely apologize, and negotiate for handling.

During the Review Period, no customer information leakage incidents occurred within the Group. The Group's internal control department regularly reviews the customer privacy protection policy to ensure the effectiveness of relevant measures.

4.4 QUALITY MANAGEMENT

In 2025, the Group comprehensively reconstructed its quality culture system, setting the strategic objective for the quality department as "making TCL CSOT synonymous with high quality in the display industry." Adhering to the quality mission of "Achieving Customer Success, Building a Sustainable and Connected Future, and Becoming a Trusted Display Solution Partner," the Group focused on "reconstruction, redesign, and strong execution" as its core directions. It systematically promoted the optimization of the quality management system and the enhancement of operational quality, strengthened risk prevention and process control, and pushed for continuous improvement in quality performance.

Upholding a "customer-centric" philosophy, the Group constructed a "three-in-one" quality assurance system comprising "pre-prevention, process detection, and closed-loop management," steering high-quality development through systemic thinking. During the Review Period, the core quality control measures were as follows:

1. Business Level: Constructing a Full-process Quality Assurance System

In terms of prevention at the source, the Group conducted Design Failure Mode and Effects Analysis ("DFMEA") and Process Failure Mode and Effects Analysis ("PFMEA") to carry out failure risk assessments across dimensions such as structure, function, and process, thereby optimizing designs and formulating preventive measures. Meanwhile, progression standards were set for each node of new product development, and strict Project Progression Reviews were implemented to ensure that non-compliant projects do not proceed to the next stage, reducing quality risks at the source.

Regarding process detection and closed-loop management, the Group established multi-level inspection chains and real-time monitoring mechanisms to ensure key nodes are visible and controllable. The Group refined laboratory equipment and management to fully leverage the verification role of reliability testing. Simultaneously, the Group collaborated with suppliers for standardized management to enhance component quality and established joint improvement projects with the customer service department to respond rapidly to customer needs. On this basis, the Group deeply integrated system standards with brand customer requirements, continuously identifying and rectifying issues through multiple formats such as annual audits, rolling audits, cross-audits, and management reviews to ensure the compliance and effectiveness of the quality management system.



2. Digital Empowerment: Creating an Intelligent Quality Management Platform

The Group continued to promote the digital transformation of quality management. During the Review Period, the Group introduced a Business Intelligence system to achieve dynamic visualization and real-time updates of key quality indicators. It launched the Business Process Management (“BPM”) document control system, strengthening standardized document management and approval efficiency. Furthermore, the Group upgraded the early warning functions of the Statistical Process Control (“SPC”) system by adding an automatic anomaly warning module, enabling intelligent identification and timely intervention for process fluctuations.

3. Specialized Drive: Focusing on Deep Improvement of Quality Capabilities

The Group organized and carried out the “Jinlin CDOT Quality Enhancement (金鱗華顯品質提升)” special campaign, implementing systemic improvements across six dimensions: standard establishment, inspection process optimization, misplacement, omission and mixing prevention, quality capability enhancement, design synergy, and quality control of new products and materials.

Benefitting from the synergistic advancement of the aforementioned measures, the Group has constructed a quality management closed-loop covering the entire chain from R&D and supply chain to production and service. During the Review Period, the Group’s quality management progressed synergistically across strategy, mechanism, technology, and projects. The quality system operated in a more robust and efficient manner, business response and risk control capabilities were significantly enhanced, and digitalization driven quality data became transparent and traceable. The quality awareness and execution of employees continued to improve, and quality performance indicators comprehensively met and exceeded annual targets. Customer satisfaction and delivery stability rose steadily, providing a solid guarantee for the continuous optimization of product quality.

Quality Culture Construction

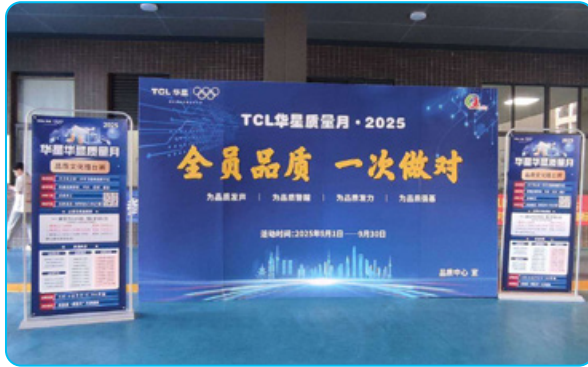
In 2025, to further deepen the quality awareness of all employees and strengthen the corporate culture core of “Zero Defects,” the Group fully launched its annual quality culture promotion activities with the theme of “Total Quality, Do It Right the First Time.” Focusing on the objectives of “diversity, wide coverage, high participation, and emphasis on results,” the Group designed and implemented 28 diverse forms of promotion and practical activities. The total number of activities increased by 57% compared to the previous year, covering a cumulative total of 10,819 person-times.

The Group adheres to the principle of leadership taking the lead in guiding quality culture construction. Senior management set an example through empowerment guidance and unannounced inspections, continuously enhancing the effectiveness of quality culture activities. In terms of format, the Group focused on innovative activities such as knowledge contests, skill competitions, warning cases, the “Quality Culture Challenge,” and arena competitions, covering all employees with different functions and learning preferences. In terms of coverage, the Group achieved all-involved participation from management to frontline operators and from technical departments to production departments, ensuring total participation across all levels and functions. These activities moved beyond mere promotion to emphasize practice, allowing employees to learn, practice, and provide feedback during the activities, thereby integrating “Do It Right the First Time” into daily operational processes.



Corporate Operation

On this basis, the Group focused on atmosphere creation, ideological guidance, and all-staff activities by organizing and implementing a series of "Quality Month" activities in mid-year. These efforts comprehensively enhanced the quality awareness of all staff, promoting a strong cultural atmosphere where "everyone attaches importance to quality and everyone participates in quality," achieving a deep integration of quality culture with business practices.



Promotional Poster for Quality Month



Kick-off Ceremony for Quality Month



Ceremony of Smashing Inferior Products for Quality Improvement



Senior Management Quality Masterclass



Winners of the Quality Culture Recitation Arena Competition



Quality Challenge Activity



Corporate Operation

During the Review Period, the CDOT Labour Union Committee, in conjunction with the Human Resources Department and various business units, organized the 3rd Vocational Skill Competition with the theme of "Star Craftsman, Beyond the Screen (星工匠 不屏凡)." The competition covered five major areas: quality, manufacturing, equipment, process, and warehouse, with a total of 25 projects, attracting 600 employees to participate. By promoting practice through competition and learning through comparison, the event effectively strengthened employees' quality awareness, promoted craftsmanship, leveraged the role of models, and accelerated the construction of a knowledge-based and skill-oriented talent team.



IQC Inspection Competition



Forklift Handling Competition



Award Ceremony



Corporate Operation

Product Safety

The Group always gives top priority to product safety and takes the following measures to ensure the safety and reliability of products:

- **Strict Compliance:** The product development department strictly follows relevant standards and specifications in product design to eliminate potential health and safety hazards from the source.
- **Safety Risk Prevention:** On the basis of the DFMEA application mentioned above, the Group further extended this methodology to the field of safety risk prevention. By systematically identifying potential safety-related issues in product design and manufacturing processes, the Group prevents safety hazards at the source, ensuring that products meet safety compliance requirements while satisfying quality standards.
- **Testing System Guarantee:** At various stages such as new product development, trial production, and mass production, the project team will conduct multiple reliability tests on various functions of the products. In addition, incoming material inspection, first inspection during the process, finished product inspection, and shipment inspection are carried out to ensure product quality.
- **Sound Recall Mechanism:** According to the internally issued CDOT Huizhou Product Recall Management Process, if safety risks are found in products that have not been shipped, production will be immediately stopped, and isolation analysis and improvement will be carried out. If shipped products are involved, the customers will be informed in a timely manner and the products will be recalled.
- **Environmental Protection and Compliance:** There are currently no laws and regulations in China applicable to the safety of module products, however, the Group still actively fulfills its social responsibilities. In accordance with the requirements of regulations such as the EU's Restriction of Hazardous Substances Directive (RoHS), Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), the Montreal Protocol on Substances that Deplete the Ozone Layer, and the EU's Directive on Persistent Organic Pollutants (POPs), the Group strictly selects suppliers and controls the emissions of waste gas and pollutants to avoid harm to the environment and human health caused by products.

During the Review Period, the Group did not recall any sold or in-transit products due to safety and health reasons, nor did any product safety accidents occur. Customer satisfaction ranks among the top in the industry.

Advertising and Labels

The Group strictly complies with the *Advertising Law of the People's Republic of China* in handling product advertising, packaging, and labeling:

- **Non-terminal Products:** Since the Group's products are not terminal products directly facing consumers, the products themselves do not have separate packaging and labels.
- **Packaging Box Identification:** In the product shipment stage, the Group strictly implements packaging identification management requirements. According to customer requirements, product models, names, quantities, and other contents are clearly marked on the product packaging boxes, and environmental protection labels such as "RoHS/HF (Halogen Free)" and other labels specified by the customer are affixed to ensure compliance with customer and relevant legal and regulatory requirements. Before shipment, quality inspectors conduct item-by-item checks and confirmations on the packaging box markings in accordance with operational documents to ensure the identification is accurate, complete, and compliant, thereby safeguarding product delivery quality at the final checkpoint.



Corporate Operation

- **Handling of Missing Labels:** If customers find that the specified labels are missing on the product packaging boxes, they can negotiate with the Group to return the products or to have relevant labels affixed by the Group.
- **Honest Publicity:** The Group does not directly advertise to consumers. The Group's business personnel introduce products to customers in accordance with the principle of seeking truth from facts and eliminate false publicity. In case of individual false publicity, the Group will communicate with customers in a timely manner to correct it and issue a statement through appropriate media to eliminate the impact.

During the Review Period, the Group's publicity and packaging labels complied with the principles of truthfulness, legality, and fairness.

4.5 SUPPLY CHAIN MANAGEMENT

The Group adheres to the management philosophy of "growing together with suppliers and jointly establishing a good ecological supply chain. The Group understands that product quality stems from high-quality components provided by upstream manufacturers. Therefore, the Group is committed to growing together with suppliers to create a more secure supply chain. For the year ended 31 December 2025, the Group has a total of 247 suppliers, and more than 80% of these suppliers are located in Chinese Mainland, close to the Group's main production bases.

Number of Suppliers by Geographical Distribution



In 2025, due to the continued global economic downturn and the continuous rise in precious metal prices, the costs of raw materials such as certain electronic materials, printed circuit board assemblies, and film materials kept increasing. Meanwhile, the rise of artificial intelligence has made memory chips scarce components, and end customers faced significant pressure from rising memory prices, thereby imposing stricter controls on procurement prices from upstream suppliers, intending to shift cost pressures upstream.

Against this backdrop, the Group's supply chain faced dual pressures: upstream supply chain costs continued to rise, while downstream customers' demands for price reductions grew stronger. The sustained cost reduction pressure led some second-tier suppliers to suspend shipments to seek price increases, significantly elevating supply chain security risks. To address this challenge, the Group established strategic cooperation with upstream key component and material manufacturers through resource strategy planning and signing supply guarantee agreements, effectively ensuring the stable supply of materials and cost reasonableness throughout the year.

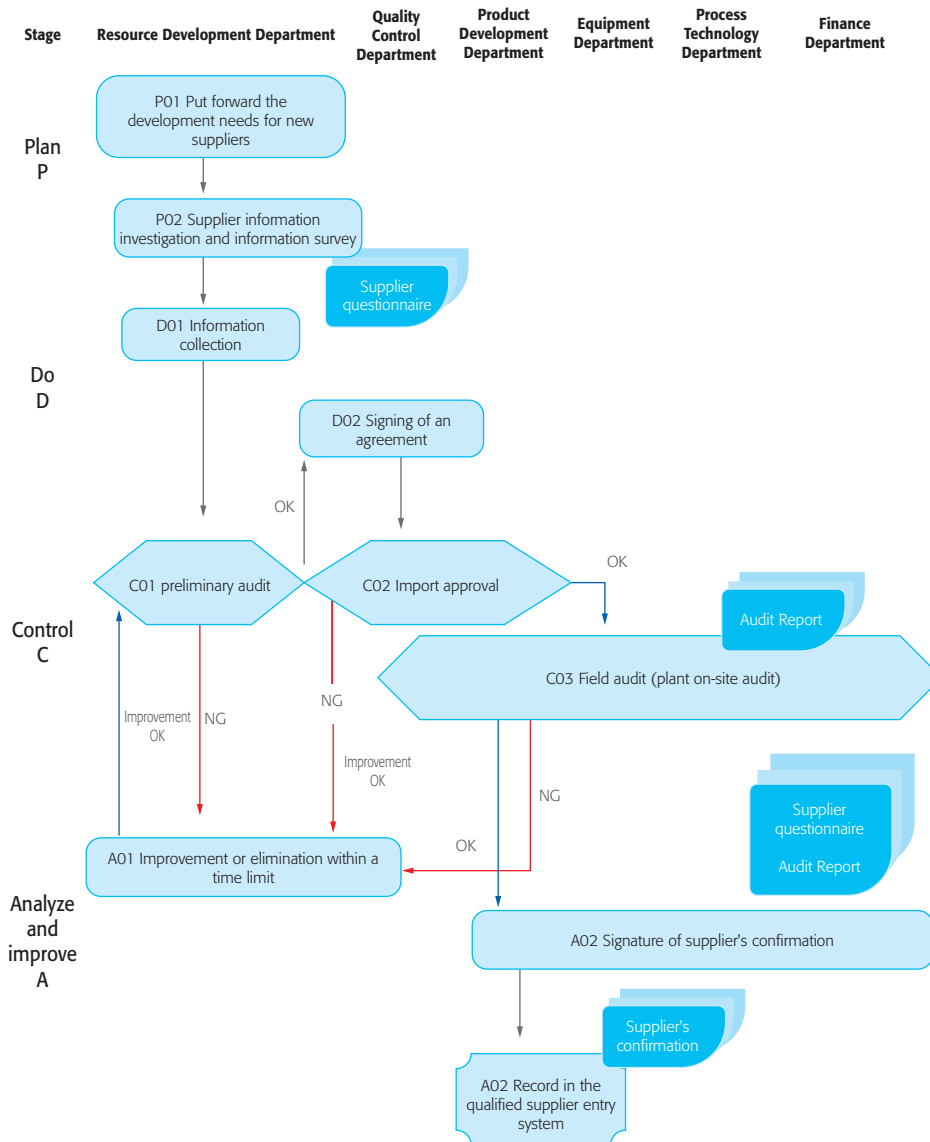


Corporate Operation

Supplier Employment Practices

The Group selects suppliers strictly with a sound mechanism. In 2025, the Group further optimized the internally issued New Supplier Development and Introduction Management Procedure, and strictly managed the qualifications and information of suppliers during the introduction process, effectively reducing the risks associated with supplier introduction.

New Supplier Introduction Flow Chart



After the Group confirms that the supplier's qualifications are compliant, the supplier audit team will conduct an audit of the supplier. The audit is based on current laws, regulations, and system standards. The content includes not only the supplier's research and development capabilities, technical level, smart control, service capabilities, and financial operation status, but also factors such as the supplier's fulfillment of social and environmental responsibilities and geographical location, so as to consider the impact on society and the environment.



Key Supplier Management

Materials that have a significant impact on product quality are defined as key materials, and suppliers that provide key materials will be listed as key suppliers to facilitate the Group's more effective management. The Group sets basic thresholds for key suppliers, and relevant companies are required to meet specific requirements to become qualified suppliers. During the Review Period, all engagement of new suppliers by the Group complied with the internal Management Procedure for the Development and Engagement of New Suppliers.

Supplier Supervision and Capacity Enhancement

The Group continued to deepen supply chain quality management. In 2025, it optimised its supplier quality management team, covering key material areas such as backlight modules, flexible printed circuits, and cover glass, and conducted comprehensive, multi-dimensional, and all-encompassing audits on suppliers. At the same time, the Group established a dedicated expert certification platform, where the Group's experts participated in supplier certification and evaluation, promoting the optimisation and upgrading of the material library. Through establishing close communication and cooperation mechanisms with suppliers, the Group achieved a 15% reduction in the supplier in-line defect rate and a 25% improvement in response time, effectively ensuring the stability and reliability of component quality.

4.6 MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN THE SUPPLY CHAIN

The Group is committed to the management principle of green and responsible production and strictly complies with relevant environmental and social regulations. It conducts toxic and hazardous substances management and actively monitors, identifies and manages environmental and social risks along its supply chain through the internally enacted Toxic and Hazardous Substance Management System, Risk and Opportunity Management Procedures, Stakeholder Management Procedures, Code of Conduct for TCL Partners and other internal regulations. Meanwhile, the Group continues to promote green procurement and avoid the use of conflict minerals to further reduce the environmental and social risks arising from the supply chain. In addition, the SQA Office of the Group's Quality Control Department and environmental system engineers will monitor the policies' effectiveness of the management of environmental and social risks in the supply chain from time to time through materials monitoring and system review. Specific audit rules are as follows:

Supplier audit rules

Grade	Performance	Treatment for new suppliers	Treatment for qualified suppliers
	Excellent	Directly approved. Review identified issues, and respond to improvement reports.	Procure in bulk, review identified issues, and respond to improvement reports.
	Qualified	Approved. Review identified issues, respond to improvement reports, conduct a re-audit within one month from the report and confirm resolution of onsite issue.	Continue procurement, review identified issues, and respond to improvement reports.
	Conditionally qualified	Disapproved in principle. Review identified issues, and respond to improvement reports. The demanding department may apply for limited procurement should the needs arise for a term of no more than six months. Re-audit will be conducted during the limited procurement period and such suppliers will only be admitted as qualified suppliers if they get a B Grade or above in the re-audit.	Limit procurement, suspend new projects, review identified issues, respond to improvement reports, and conduct a re-audit within one month. The Group will resume procurement only when the re-audit results reach Grade B or above.
	Unqualified	Disapproved and disqualified for reassessment within two years.	Disqualified as suppliers.



Toxic and hazardous substances management

The Group adheres to the following core principles in the management of toxic and hazardous substances:

- **Strictest Standards:** When there are overlaps or inconsistencies in control requirements among different countries and directives, the strictest requirement shall prevail;
- **Strictest Control:** When different customers propose different control requirements, the strictest standard among them shall be implemented;
- **Not Select, Not Use:** Component composition review is conducted at the material selection stage; any material with compliance risks will not be selected or used.

The Group adopts the following measures to ensure that its products are free from toxic and hazardous substances:

1. **Control Material Quality from the Source:** Starting from the design of components, materials are strictly screened to ensure that all purchased materials pass the single-component review of hazardous substances, and only materials that meet the standards are selected.
2. **Supplier Data Management:** Suppliers are required to provide third-party test reports and confirm the composition of the supplied raw materials. The data submitted by suppliers are managed through an IT system to achieve the system upload, approval, and automatic verification of supplier data.
3. **Regular Testing and Regulatory Updates:** Update customer standards and relevant laws and regulations quarterly. Use an X-ray Fluorescence Spectrometer (XRF) to test raw materials or send them for external testing to ensure that the raw materials comply with the TCL CSOT Product and Material Hazardous Substances Management Specification, meet the non-toxic requirements of customers and the Group, and comply with relevant laws and regulations.

The Group's toxic and hazardous substance management indicators were assigned to corresponding functional departments and relevant production processes for monthly statistical assessment, to ensure the effective operation of the toxic and hazardous substance system. The key monitoring processes include standard management of toxic and hazardous substances, management over new materials, new projects and new equipment, R&D and design management, suppliers management, incoming raw materials management, process management, finished products management and products change management.





During the Review Period, the Group passed the examination of toxic and hazardous substances management systems by all customers, and did not record any cases of excessive toxic and hazardous substances.



Green Procurement

The Group is committed to the concept of green procurement under sustainable development. To reduce the environmental impact of suppliers, the Group encourage them to use more environmentally friendly products and services. The Group requires its business partners to comply with the standards set out in IECQ QC 080000: 2017 Toxic and Hazardous Substance Management System and the requirements of laws and regulations. Suppliers are required to sign the Environmental Protection Agreement and the Environmental Compliance Statement and are subject to strict review and monthly assessment (as shown in the table below):

Monthly supplier assessment rules

Grade	Performance	Procurement strategy	Follow-ups
 A	Excellent	Continue procurement and may increase procurement amount at discretion.	Notify the suppliers and no improvement report is required.
 B	Qualified	Continue procurement.	Notify the suppliers and no improvement report is required.
 C	Conditionally qualified	Issue warning. Personnel with grades at quality control director or above are required to set up a team to review and make improvements. Reduce procurement amount. Suppliers who get Grade C for three times in six consecutive months will be automatically downgraded to Grade D.	Notify the suppliers and require improvement and review.
 D	Unqualified	Disqualify as suppliers and terminate procurement.	Disqualify as suppliers.



Conflict Minerals

In recent years, the international community has paid a high degree of attention to the issue of “conflict minerals”. “Conflict minerals” are the four types of metals, namely gold, tin, tungsten and tantalum (the “Minerals”), produced from armed conflict regions in Africa, which comprise the Democratic Republic of Congo and its nine neighboring countries (namely Angola, Burundi, the Central African Republic, the Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia). The mining process of these minerals is often accompanied by serious human rights violations and environmental pollution issues. Moreover, the trading of these minerals provides financial support for armed forces, leading to even greater humanitarian disasters.

The Group’s products contain the above-mentioned Minerals. However, we do not directly purchase the Minerals. Instead, we buy or use the Minerals sourced from various regions around the world through suppliers. As an enterprise that attaches great importance to social responsibility, the Group commits not to purchase or support the use of any conflict minerals that directly or indirectly finance or support armed conflicts.

To fulfill this commitment, the Group follows the principles of the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“the Due Diligence Guidance”) issued by the Organization for Economic Co-operation and Development (“OECD”) and participates in the Conflict-Free Sourcing Initiative (“CFSI”). The Company and all its suppliers only purchase from conflict-free smelters (CFS), smelters and refineries approved or certified by the procedures of the London Bullion Market Association (LBMA) or the Responsible Jewellery Council. The Group firmly avoids using any conflict minerals to reduce the negative impacts on society, as well as the human rights and environment in conflict-affected areas.

During the Review Period, the Group conducted conflict minerals inquiry through the Conflict Mineral Report Template (CMRT) and Extended Mineral Reporting Template (EMRT) with suppliers (supplying IC drivers, connectors, display panels, resistors, capacitors and diodes) whose products may contain the Conflict Minerals. All of the suppliers furnished responses. The survey results showed that the Minerals in the raw materials of the Group were purchased from qualified CFSI smelters and met the supply standards of the Group.

During the Review Period, the Group did not receive any complaints about toxic and hazardous substances.



MANAGEMENT POLICY ON CONFLICT MINERALS

1. Suppliers are required to formulate conflict minerals policies that comply with OECD’s Due Diligence Guidance, and disseminate such policies to all their suppliers.
2. Suppliers shall ensure that all the products and/or the packaging material thereof delivered to the Company are free from conflict minerals, and sign the Declaration of Non-use of Conflict Minerals.
3. Suppliers shall earnestly investigate the supply chain, identify and trace the sources of the Minerals, ensure the legality of sources of raw material, and truthfully fill out and reply to CMRT questionnaires or other materials.



CMRT is the Conflict Minerals Reporting Template issued by the Responsible Minerals Initiative.



SUPPLIER SOCIAL RESPONSIBILITY RISKS

The Group actively promotes the sustainable development strategy of the green ecological chain and strengthened the management of social responsibility in the supply chain in 2025. The specific measures include:

1. Social Responsibility Requirements for New Suppliers

The Group continuously communicates the social responsibility requirements to all newly introduced suppliers, and requires them to sign the Notice/Undertaking to Relevant Parties, promising to comply with the regulations in aspects such as labor employment, working hours, ethics, environment, carbon reduction, occupational health and safety, information security, and intellectual property rights. Additionally, for non-agent suppliers, the Group requires them to obtain ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and IECQ QC 080000 Hazardous Substance Process Management System certifications, and to undergo continuous surveillance audits.

2. Supplier Audit and Improvement

Senior engineers in social responsibility management from the system team conducted social responsibility audits on major material suppliers according to the New Supplier Development and Introduction Evaluation Process, and urged suppliers to completely address the issues identified during the audit, effectively promoting the improvement of the social responsibility management level of suppliers.

Supplier Social Responsibility Management Table

Supplier Category	Record	Audit Method	Frequency	Implementing Department
1. General suppliers ¹	Non-quality Management Table for Cooperative Parties ² ; Annual Greenhouse Gas Emission Statistics, Emission Reduction Plan and Emission Reduction Results	On-site	At the time of introduction or every three years ⁴	Resource Development Department System Team
2. Other suppliers ³	The contract includes a confidentiality clause and the Undertaking to Relevant Parties	Not applicable	At the time of introduction	Resource Development Department
3. Equipment manufacturers	The contract includes a confidentiality clause and the Undertaking to Relevant Parties	Not applicable	No need for audit	Resource Development Department
4. IT software outsourcing/ (Service) providers	The contract includes a confidentiality clause, the Undertaking to Relevant Parties and the Information Security Review Form	Remote/ Onsite	At the time of introduction	Resource Development Department Information Security Engineer



Corporate Operation

Supplier Category	Record	Audit Method	Frequency	Implementing Department
5. Third-party companies for financial audits	The contract includes a confidentiality clause, the Undertaking to Relevant Parties and the Information Security Review Form	Remote	At the time of introduction	Finance Department Information Security Engineer
6. Property (Security) service providers	The contract includes a confidentiality clause, the Undertaking to Relevant Parties and the Information Security Review Form	N/A	At the time of introduction	Resource Development Department Information Security Engineer
7. Canteen contractors	The contract includes a confidentiality clause and the Undertaking to Relevant Parties	N/A	At the time of introduction	Resource Development Department
8. Logistics service providers	The contract includes a confidentiality clause and the Undertaking to Relevant Parties	N/A	At the time of introduction	Customs Affairs Section
9. Patent service providers	The contract includes a confidentiality clause, the Undertaking to Relevant Parties and the Information Security Review Form	Remote	At the time of introduction	Product Development Department Information Security Engineer
10. System certification companies	The contract includes a confidentiality clause	N/A	At the time of introduction	System Team

Notes:

- General suppliers refer to suppliers of flexible printed circuits, backlight modules, touch panels and cover glass, printed circuit board die-cutting products and outsourced processed products.*
- Non-quality management includes social responsibilities such as labour employment, working hours, ethics, environment, carbon reduction, occupational health and safety, information security, intellectual property rights, and other management contents.*
- Other suppliers refer to manufacturers of other raw materials within the Bill of Materials, excluding agents and traders.*
- Applicable to suppliers with an annual order quantity exceeding 500,000 pieces.*

5 Environmental Report



The Group strictly complies with the Environmental Protection Law of the PRC (2015 Revision), the Law on the Prevention and Control of Atmospheric Pollution of the PRC (2018 Revision), the Law on the Prevention and Control of Water Pollution of the PRC (2017 Revision), the Environmental Protection Law on Solid Wastes Pollution of the PRC (2020 Revision), the Energy Conservation Law of the PRC (2018 Revision), the Law on Noise Pollution Prevention and Control of the PRC (2021 Revision) and other laws and regulations, and is committed to integrating the concept of green development in its corporate operations. In 2025, the Group reviewed 42 environmental laws and regulations and completed compliance evaluations, all of which were found to be in full compliance with requirements.

The Group constantly complies with the ISO 14001 environmental management, the IECQ QC 080000 hazardous substances management, the ISO 50001 energy management, and the ISO 14064-1 carbon emission management standards, and successfully passed the annual supervision and review of the third-party organizations. The Group is committed to “energy-saving and emission reduction, green production and integrated governance by prioritising protection and prevention”. While enhancing the automation of production equipment and expanding production lines, the Group has effectively controlled energy consumption by raising energy-saving awareness, implementing improvement projects, strengthening management, and improving product yield and production efficiency.

During the Review Period, the Group did not consume any natural resources directly in the production process, and the primary environmental impacts arose from energy and water consumption, gas emission, waste production and usage of raw materials. The Group reduced greenhouse gas emissions by improving production efficiency through energy reviews and audits, and regularly inspected energy consumption and discharge of waste water, solid waste, greenhouse gas emission and noise pollution to evaluate the environmental impact. Whilst the Group considers that the above-mentioned activities did not have a significant impact on the environment and natural resources, the Group has adopted various measures on conservation of energy, water and raw materials, and reduction of greenhouse gas and waste emission as set out in this report to minimise the impacts.

During the Review Period, the Group was not involved in significant violation of environmental regulations or punishment.



Environmental Report

5.1 ENERGY AND RESOURCES CONSERVATION

Energy

In early 2025, the power, equipment, manufacturing and system departments jointly conducted an energy review to systematically identify key energy-consuming areas, analyse impact factors, formulate control measures and coordinate the planning of annual energy-saving projects. Building on this, the power team utilised the group control system throughout the year to effectively drive electricity-saving initiatives.

In parallel with the above energy management efforts, the Group further strengthened systematic control. It conducted quarterly identification and compliance evaluations of energy-related laws and regulations to ensure full adherence to regulatory requirements. In addition, platforms such as the WeChat official account and electronic display screens were used to regularly promote energy conservation. In 2025, six energy-saving and emission-reduction themed campaigns were carried out, reaching all regions and departments across the Company. Furthermore, the Group established an energy-saving task force that performed weekly and monthly electricity-saving inspections and rectification of identified issues, and convened meetings to review the achievement of electricity consumption targets. On this basis, the Group also carried out internal audits and management reviews to systematically verify the effectiveness of the system's implementation, drive issue rectification and promote continuous optimisation of the management system.



Category	Unit	2024	2025	Year-on-year change
Direct energy consumption				
Gasoline	tonne ^{Note 1}	3.08	1.50	-51.2%
Gasoline consumption intensity in terms of sales volume	g/unit ^{Note 1}	0.06	0.02	-67.9%
Diesel	tonne ^{Note 1}	–	–	–
Diesel consumption intensity in terms of sales volume	g/unit ^{Note 1}	–	–	–
Indirect energy consumption				
Purchased electricity	kWh ('000s)	41,944	52,534	+25.2%
Electricity consumption intensity in terms of sales volume	kWh/unit	0.85	0.59	-30.6%
Electricity consumption intensity in terms of unit area	kWh/m ²	56.59	35.98	-36.4%

Note:

- The Group adopted the following conversion factors extracted from the Energy Statistics Manual issued by the International Energy Agency:

NRF combustible fuel	Litres per tonne	Gross calorific value (GJ per tonne)
Petrol	1,350	47.10
Diesel	1,185	45.66

1 GJ = 277.778 kWh






For example: to calculate energy from 1,000 kg of gasoline: 1,000 (L) divided by 1,350 (L/T) multiplied by 47.1 (GJ/T) multiplied by 277.778 equals to approximately 9,691 kWh. As the amount of gasoline and diesel consumed by the Group is relatively small, for clearer disclosure, the Group used gram (g) as units of disclosure to calculate direct energy intensity in terms of sales volume.



Environmental Report



Energy Saving Projects and Measures

During the Review Period, the major energy saving projects carried out and the measures taken by the Group, saving electricity of 4,942 kWh ('000s) in total, are as follows:




Project	Description of measure	Annual achievements (kWh ('000s))
 Fan Filter Unit ("FFU") Group Control Optimisation	Through the FFU group control management system, FFUs in certain workshop corridors and auxiliary rooms were switched off, and their operating speed was reduced from 1,000 rpm to 800 rpm, thereby lowering the baseline energy consumption of the cleanrooms.	1,352
 Improvement in Air Compression System Efficiency	By precisely adjusting the air supply pressure according to the actual process requirements of the production lines, high-energy-efficiency equipment was prioritised to supply the low-pressure system. This reduced the operation of high-energy-consuming equipment and improved the overall energy efficiency matching level.	1,846
 Compressed Air Terminal Management and Leakage Control	A comprehensive inventory and optimisation of abnormal air usage in the workshops was undertaken. Measures such as adjusting ion wind pressure, installing automatic shut-off systems triggered by blowing sensors, and replacing ageing gas pipes were implemented to reduce energy waste.	502
 Intelligent Control of the Lighting System	While ensuring that production brightness requirements were met, the lighting control circuits were optimised and redundant lighting equipment was removed. The "lights off when no one is present" policy was strictly enforced, thereby enhancing overall energy-saving awareness of employee.	40
 Energy Efficiency Improvement of Automated Production Lines	Through the introduction of fully automatic blind hole, electrical appearance, batch scanning and mid-size fully automatic production line equipment, manual operations have been reduced and energy efficiency per unit of output was improved.	428



Environmental Report

Project	Description of measure	Annual achievements (kWh ('000s))
 <p>Optimisation of Air Conditioning System in the Stereoscopic Warehouse</p>	The air conditioning system in the stereoscopic warehouse was adjusted from continuous 24-hour operation to timed control, with units rotated to operate for only two hours per day, thereby avoiding unnecessary energy consumption.	453
 <p>Improvement in Air Conditioning System Energy Efficiency</p>	The heat exchange efficiency of the air conditioning system was enhanced by improving the quality of the circulating water.	321

Energy management targets for 2026

Category	Consumption intensity target for 2026
 <p>Gasoline</p>	Gasoline consumption intensity in terms of sales volume ≤ 0.02 g/unit ^{Note 1}
 <p>Diesel</p>	No use of diesel in 2026
 <p>Purchased electricity</p>	Electricity consumption intensity in terms of sales volume ≤ 0.59 kWh/unit

Note 1: The Group adopted the conversion factors sourced from the Energy Statistics Manual issued by the International Energy Agency (please refer to Note 1 on Page 34 for further details).



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Water resources

Category	Unit	2024	2025	Year-on-year change
Total water consumption	tonne	258,905	328,333	+26.8%
Water consumption intensity in terms of sales volume	g/unit	5,247	3,684	-29.8%
Water consumption intensity in terms of unit area	kg/m ²	349.32	224.86	-35.6%

In 2025, the Group systematically standardised the management of production and domestic water usage across its factory sites. It established standardised water-use procedures, enhanced equipment maintenance and monitoring, and promoted the adoption of water-saving technologies and equipment, thereby comprehensively improving water-use efficiency and effectively reducing water resource wastage. At the same time, the Group actively cultivated employees' water-saving awareness and fostered a corporate water-use culture centred on "water conservation as the foundation and continuous improvement as the norm".

The Group consumes purified water for product cleaning and did not encounter any issues in securing applicable water sources. During the Review Period, despite a year-on-year increase in total water consumption of 26.8% due to higher sales volume, water consumption intensity per unit and water consumption intensity in terms of unit area decreased by 29.8% and 35.6% year-on-year, respectively. The wastewater recycling rate increased from 89.9% of last year to 90.0%, saving a total of 206,600 tonnes of water over the year.

The major measures for conserving water resources of the Group are as follows:

- 1) Strict control of water usage in workshop and production lines to prevent the occurrence of "leaks, overflow, drips, and seepage".
- 2) Optimisation of four water recycling systems for the reuse of recycled water as raw water for pure water production.
- 3) Recycling cooling water of the vacuum pump for use.
- 4) Use of standards-compliant recycled water for flushing toilets and landscaping.



Water resource management target for 2026:

Water consumption intensity in terms of sales volume \leq **3,500** g/unit (i.e. decreased by 5% year-on-year).



Environmental Report



Packaging materials

Category	Unit	2024	2025	Year-on-year change
Packaging materials consumption	tonne	4,012	34,381	+757%
Intensity of packaging materials in terms of sales volume	g/unit	81.31	385.73	+374%
Intensity of packaging materials in terms of unit area	kg/m ²	5.41	23.55	+335%

In 2025, the Group's total sales volume increased significantly year-on-year, of which the proportion of mid-size products has significantly increased. Since mid-size products require more packaging materials, an increase in sales of the mid-size products has resulted in a corresponding increase in packaging material consumption.

The Group's policy of sharing materials and conserving resources is to reduce the consumption of packaging materials through recycling and reusing. The main measure taken to lower packaging consumption including incorporating an environmentally friendly concept into the packaging design, reuse the components pallets to package products by taking advantage of the similar size of the components and the products of the Group.

During the Review Period, over 98% of the product pallets were reused, effectively reducing the consumption of plastic. In addition, the Group actively recycled packaging materials, collecting over 456 tonnes of paper boxes and 407 tonnes of plastic waste.

Tool recycling	Improved product yield to save materials	Enhanced processes to save materials
<ul style="list-style-type: none"> 880 pieces of cutting tools recycled 582 pieces of jigs and crucial components recycled 	<ul style="list-style-type: none"> 391,000 pieces of backlight units 24,000 pieces of panel glass 624,000 pieces of polarizers 	<ul style="list-style-type: none"> 7,320 m² of high-density fabric 910 m² of acrylic tape 240 litres of alcohol solvent 460.8 litres of PUR adhesive



Packaging material management targets for 2026:

Intensity of packaging materials in terms of sales volume ≤ **378** g/unit (i.e. decreased by 2% year-on-year).



5.2 EMISSIONS REDUCTION

The Group strictly complies with the relevant national laws and regulations mentioned at the beginning of this chapter, and adheres to industry standards including the Discharge Standard of Water Pollutants for Electronic Industry (2008 Revision), the Discharge Standards on Pollutants from Urban Sewage Treatment Plants (2002 Revision), the Emission Standard for Industrial Enterprises Noise at Boundary (2008 Revision), the Standard for Pollution Control on Hazardous Waste Storage (2001 Revision) and the Emission Standard of Odour Pollutants (1993 Revision). During the Review Period, all types of pollutants generated by the Group were treated by the corresponding pollution control facilities and discharged in accordance with the standard limits stipulated in the pollutant discharge permit. All pollution treatment facilities operated normally, and no incidents were reported or penalties imposed by government environmental supervision authorities. The wastewater, exhaust gas, solid waste and boundary noise generated during operations all complied with the requirements of national laws and regulations as well as those of the locations where the Group operates.

The Group constantly complies with the ISO 14001: 2015 environmental management, the IECQ QC 080000: 2017 hazardous substances management, the ISO 50001: 2018 energy management, the ISO 14064-1: 2018 carbon emission, and the UL2799: 2021 zero waste to landfill international management standards, and successfully passed the annual supervision and review of the third-party organizations. The Group is committed to implementing the environmental policy of “energy-saving and emission reduction, green production and integrated governance by prioritising protection and prevention”. While enhancing the automation of production equipment and expanding production lines, the Group has effectively controlled energy consumption by raising energy-saving awareness and implementing improvement projects. During the Review Period, the Group systematically identified 13 energy-saving projects and formed a register, and had the Facility Management Department lead energy-saving patrols. Through comparative analysis of historical data, the effectiveness of electricity-saving measures was regularly reviewed and optimisation was promoted. Cross-departmental collaboration between the Facility Management and production departments facilitated energy-saving meetings, enabling dynamic updating of the energy-saving register, further strengthening management, and continuously improving yield rates and production efficiency.

During the Review Period, the Group actively responded to the national greenhouse gas emission reduction strategy and upheld the business philosophy of green and sustainable development by comprehensively implementing energy efficiency improvement measures. All major energy-consuming equipment has been 100% equipped with variable frequency and automation controls. Combined with intelligent energy system management and optimisation of power equipment supply solutions, it effectively reduced equipment energy consumption. In addition, carbon emissions have been further reduced through waste heat recovery, chilled water energy utilisation, and solar power generation. During the Review Period, the Group engaged a third-party organisation to conduct ISO 14064-1: 2018 greenhouse gas certification, scientifically established carbon emission targets and improvement measures, decomposed the Group’s dual-carbon goals, and implemented annual self-assessments and performance evaluations to steadily advance the achievement of carbon reduction targets.



Industrial wastewater

Category	Unit	2024	2025	Year-on-year change
Industrial wastewater discharge	tonne	21,461	20,673	-3.7%
Industrial wastewater discharge intensity in terms of sales volume	g/unit	434.94	231.94	-46.7%
Industrial wastewater discharge intensity in terms of unit area	kg/m ²	28.96	14.16	-51.1%



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During the Review Period, the Group enhanced the management of wastewater treatment, increasing the recycling rate of wastewater to 60.1%. Both the volume of industrial wastewater and industrial wastewater discharge intensity in terms of sales volume recorded a year-on-year decrease, and the actual total discharge volume only accounted for 40.8% of the national discharge limit. To enhance routine industrial wastewater management and drive progress towards waste reduction targets, the Group has implemented the following key measures:

Daily management measures	Actions taken to achieve waste reduction targets
1) Monitor the process regularly;	1) Pure water is used instead of chemicals to reduce pollution from the source;
2) Optimise system operation;	2) The recycling rate of both the additional production line cleaning wastewater recycling system and wastewater reuse system are over 60%, so as to reduce the volume of wastewater discharged;
3) Ensure the discharge standards and environmental protection requirements are met;	3) Improve product yield to reduce wastewater discharge caused by defective products and repair.
4) Set up a wastewater management list and an inspection system, with regular inspections conducted by designated personnel from different posts.	



Industrial wastewater management targets for 2026:

Industrial wastewater discharge intensity in terms of sales volume ≤ 225 g/unit (i.e. decreased by 3% year-on-year)



Exhaust gas emissions

The Group's main air pollutants are process exhaust gases generated during production. For different types of exhaust gas, the Group has constructed corresponding treatment systems, such as exhaust gas treatment systems for particulate matter and organic exhaust gas treatment systems. The exhaust gases are collected via pipelines, treated to the required standard in the respective systems, and then discharged at high altitude. Both the concentration and total volume of exhaust gas emissions meet the relevant national standards and the requirements of the locations where the Group operates.

During the Review Period, the Group strictly controlled the use of chemicals in accordance with the EU REACH Regulation and the national standard GB 38508-2020 Detergent Volatile Organic Compounds Content Limits, among others. It continued to strengthen the supervision and management of exhaust gas treatment facilities, covering process improvements, operation and maintenance, upkeep and system development. The Group has formulated rules and regulations on the operation of exhaust gas treatment processes and facility operations, reasonably allocated system operation and management personnel to ensure the continuous and effective operation of the systems. Equipment information, operational data and material consumption records have been established, and daily operation logs are maintained. Mechanisms for handling abnormal exhaust gas situations and reporting procedures have also been developed, and atmospheric pollution emergency drills are conducted as planned. In addition, the Group regularly engages qualified third-party organisations to carry out testing, with all test results complying with national emission standards.

In addition, the Group emitted pollutants such as benzene, toluene and xylene, and VOCS. After the review conducted by a third-party organization, the emission of these pollutants met the requirements under the PRC national BD44/27-2001 Air Pollutant Emission Limits.

Category	Unit	2024	2025	Year-on-year change
Total exhaust gas emissions				
NO _x	kg	7.26	6.79	-6.4%
SO _x	kg	45.23	18.84	-58.3%
Respirable Suspended Particulates (RSP)	kg	7.03	6.71	-4.5%



Exhaust gas emissions management targets for 2026 is a 2% year-on-year reduction, i.e.:

NO _x	≤ 6.65 KG
SO _x	≤ 18.46 KG
Respirable Suspended Particulates (RSP)	≤ 6.58 KG



Environmental Report

Waste

The solid waste generated by the Group is categorized into general waste, hazardous waste, and household waste. Hazardous waste is disposed of by qualified entities in accordance with the law; after being sorted on the plant area, general waste is collected by recycling companies; and household waste is handled uniformly by municipal authorities. The disposal of all types of waste complies with regulatory requirements.

During the Review Period, the Group was selected by Huizhou City as one of the first pilot units for the “Zero Waste Factory”. To further enhance its solid waste management capabilities, the Group established a steering committee comprising company leadership and relevant department heads to make decisions about, supervise and coordinate the construction of the “Zero Waste Factory”. Focusing on seven key areas including organizational management, solid waste reduction, resource-based utilization, final disposal, synergistic pollution and carbon reduction, standardized management, and public education, the Group benchmarked against Huizhou’s “Zero Waste Factory” construction standards for the electronics industry, to comprehensively advance the construction. These efforts aimed to foster green production practices, reduce solid waste generation, increase waste recycling rates, achieve cost savings and efficiency gains while mitigating environmental risks, and continuously enhance our competitiveness within the industry. During this period, the Group was awarded the honorary title of “Outstanding Enterprise for Zero Waste Factory Construction” by Huizhou City Environmental Protection Bureau, and passed the internationally recognized UL 2799 zero waste to landfill certification, obtaining the highest “Platinum” certificate, which signifies that the Group has achieved 100% conversion and utilization of waste.



 The Group was awarded the title of “Zero Waste Factory”

UL 2799 Zero Waste to Landfill Certification



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Category	Unit	2024	2025	Year-on-year change
Hazardous waste generated	tonne	7.05	9.00	+27.7%
Intensity of hazardous waste in terms of sales volume	g/unit	0.14	0.10	-30.0%
Intensity of hazardous waste in terms of unit areas	g/m ²	9.51	6.16	-35.2%
Non-hazardous waste generated	tonne	353	492	+39.5%
Intensity of non-hazardous waste in terms of sales volume	g/unit	7.14	5.52	-22.7%
Intensity of non-hazardous waste in terms of unit areas	g/m ²	475.68	336.82	-29.2%

In 2025, the Group's hazardous waste generated increased, primarily due to a significant rise in sales of the Group's products; the increase in non-hazardous waste was attributable to a slight increase in the number of employees.

The hazardous waste produced by the Group included chemical containers, waste oil and spent activated carbon, whilst the non-hazardous waste is classified into two categories i.e., recyclable and non-recyclable waste.



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The Group strictly complies with the relevant laws and regulations and the local emission standards, formulates the Hazardous Waste Prevention Responsibility System and establishes a pollution prevention and control responsibility organization, and the specific management measures and waste reduction actions taken are as follows:

Standardized management of wastes	Actions taken to achieve waste reduction targets
Hazardous waste	
1) Names, sources, characteristics and treatment measures should be clarified;	1) Set the maximum amount of chemicals to be used based on production volumes, set up hazardous waste bins and post clear labels, and establish a hazardous waste management ledger;
2) Classification, collection, storage and disposal should be conducted according to environmental protection requirements, store by type in separated areas, make a transfer list, set up hazardous waste signs and hand over to qualified third parties for treatment;	2) Assign dedicated personnel for waste oil management, and engage qualified institutions for disposal on a regular basis;
3) Regular drills are conducted on environmental emergency plan;	3) Monitor emission concentrations and extend the usage duration of activated carbon;
4) Recycling agreements for chemical containers are signed with suppliers to manage in a standardized manner, and a recycling management list is established.	4) Establish a ledger of used packaging barrels, and sign recycling agreements with suppliers to reduce the disposal volume.
Non-Hazardous waste	
1) Recyclables (paper and metals) are recycled by waste collectors;	1) Promote waste classification to our staff through email, screencast, billboard and WeChat, to conserve paper and packaging materials;
2) Non-recyclables are handed over to sanitation workers for disposal on a regular basis.	2) Promote an electronic approval and information system to reduce paper consumption.



Waste management targets for 2026, decreased by 2% year-on-year, i.e.:

Hazardous waste: Hazardous waste intensity in terms of sales volume ≤ 0.098 g/unit

Non-Hazardous waste: Non-hazardous waste intensity in terms of sales volume ≤ 5.4 g/unit



5.3 RESPONDING TO CLIMATE CHANGE

Governance

I. Oversight by the Board

The Group understands that climate change may pose risks to the Group's business. In this regard, the Board is responsible for overseeing climate-related risks and opportunities in the Group's business, while the Sustainable Development Committee of the Group is responsible for identifying climate-related risks and opportunities of the Group, formulating relevant objectives and implementation plans, reporting to the Board on the progress of the implementation plans and making recommendations. The Board is the highest-level body responsible for the oversight of climate-related risks and opportunities. It has explicitly integrated climate issues into the overall ESG governance framework and authorized the Safety Committee (whose role is set out below) as the designated department to implement the relevant plans and measures formulated by the Sustainable Development Committee in daily operations. The Board performs its oversight responsibilities through the following mechanisms:

(a) Skills and Competence

The Board considers that the skills required to oversee climate risks currently and in the future are mainly reflected in the areas of environmental compliance, emergency management and production safety. The person in charge of the Company's Safety Committee has professional backgrounds in environmental engineering and production safety, and the Board members also include senior personnel familiar with local regulations and manufacturing operations. The Company ensures its relevant personnel possess relevant capabilities by arranging annual external training (such as climate-related information disclosure and updates to environmental protection laws and regulations). Given the Company is currently exposed to limited climate risks such as typhoons and heavy rainstorms, the existing skill mix is sufficient.

(b) Strategy

The Group identifies and assesses climate-related risks based on information reasonably available as at the reporting date. Intensified global warming has increased the frequency and severity of extreme weather, which may adversely affect the business, for example, the temporary closure of offices and factories and suspension of operations due to threats to the safety and health of employees posed by severe weather conditions.

When reviewing material transactions such as production layout, equipment procurement, and factory expansion or renovation, the Board requires the Safety Committee to issue a climate impact assessment (focusing on the potential impact of typhoons and rainstorms on factory drainage, power supply and logistics). Climate risks are incorporated into the Company's overall risk matrix as a sub-item of operational risks, and the Board has authorized the allocation of emergency funds in the budget. For issues requiring trade-offs (such as enhancing wind resistance standards of factories versus costs), the Board balances them in accordance with the principle of "compliance priority, cost controllability".

(c) Climate Performance

The Board reviews progress against targets semi-annually. Climate performance indicators are not currently included in the executive compensation policy (due to the low material impact of climate risks). The Company will continue to assess the necessity of including such indicators in compensation in the future.



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II. Role of the Safety Committee

(a) Delegation and Oversight Methods

The Safety Committee has been delegated with the responsibility to monitor, manage and oversee. The head of the Safety Committee reports directly to the Sustainable Development Committee under the Board. The Board exercises oversight through annual written reports, semi-annual meetings and on-site spot checks.

(b) Monitoring Measures

The relevant monitoring measures are detailed in Parts III and IV below. These procedures have been integrated into the Company's overall emergency management and occupational health and safety system (ISO 45001). Early warning information is shared with the Production Planning Department and Logistics Department to ensure coordinated adjustment of production schedules and logistics transportation when warnings are triggered.

Strategy and Risk Management

III. Methods and Frequency of Identifying Climate-Related Risks and Opportunities

Climate change has become a global challenge. The frequent occurrence of extreme weather events has made a tremendous impact on the global economy, society and environment. For the purpose of fulfilling its corporate responsibilities, the Group adheres to the green development concept, proactively responds to the potential risks brought by climate change, and effectively reduces the carbon emissions through measures such as improving the energy management system, increasing the use of renewable energy, building a green supply chain, and enhancing employees' low-carbon awareness. The Group actively promoted green office initiatives: in 2025, we fully implemented paperless financial reimbursement and electronic workflow approvals, with electronic approvals covering over 90% of the Company's systems, thus effectively reducing the impact of paper consumption on carbon emissions and climate change; we purchased 120,000 kWh of green electricity throughout the year, reducing carbon emissions from electricity consumption; by centrally controlling the temperature of office and production areas through a central air conditioning system, we further reduced carbon emissions from electricity consumption; in addition, we arranged factory shuttle buses to transport employees, reducing carbon emissions from private vehicles. These measures, implemented in a coordinated manner across multiple areas, continued to reduce our environmental footprint throughout our operations.

In response to climate-related risks, the Group continuously improved special systems including the "Code for Emergency Response and Rescue in Natural Disasters" and established climate change risk assessment mechanisms to identify potential risks and formulate corresponding countermeasures. The Group identified potential risk sources from time to time in accordance with the Integrated Emergency Response and Handling Procedure. The emergency response center monitored weather forecasts on a daily basis and notified the Safety Committees in the form of daily report to implement hierarchical management. The Group set up emergency response teams depending on the alert level, and conducted training and special inspections to enhance the skills of emergency response personnel and eliminate safety hazards in a timely manner. At the same time, the Group maintained contact with government authorities to promptly adjust response strategies. In 2025, the Group organized three emergency drills, conducted five special inspections, and successfully dealt with four heavy rains and one typhoon, with no loss or impact on production.




The Group established special teams and formulated countermeasures and conducted emergency drills from time to time. Specific response actions under the emergency plan are as follows:

- 1) To stop outdoor operations;
- 2) The maintenance team urgently repairs facilities that may endanger personnel or affect production, and borrows emergency facilities from external entities if necessary; and
- 3) When necessary, the person in charge of the emergency plan of the Group will coordinate to seek assistance from TCL Technology or the local government.



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During the Review Period, the Group identified the impact of climate change risks and issues to business development and implemented the following adaptation and mitigation measures. The Group currently has not formulated a formal climate-related transition plan.

Impacted entity	Risks	Response actions
 Employees	Adverse or extreme weather conditions (such as typhoons or heavy rain) may cause tree collapse, landslides, flooding, damage to outdoor facilities, etc., which may increase the risk of employee commuting injuries.	Establish a weather warning notices mechanism, formulate corresponding action plans based on warning levels, and follow the instructions of the local government to promptly notify employees of countermeasures in special weather to enhance staff's awareness of weather risks and implement the action plans.
 Materials/ products	Extreme weather conditions may cause insufficient supply of upstream raw materials and delays in logistics, which affect production planning. Also, the storage environment of raw materials is affected by the climate, and power consumption may increase to ensure the quality.	Establish long-term cooperative relations with key suppliers, and communicate with suppliers in a timely manner during extreme weather conditions to assess the impact on the production planning.
 Buildings	Possible damage to the production plant area, offices and/or staff dormitory, resulting in property damage.	<ol style="list-style-type: none">1) Require employees to keep doors and windows closed when leaving in order to reduce the risk of damage to buildings;2) The administration department and the Safety Committee Office will implement wind protection measures prior to the typhoon, remove items from the balcony, reinforce outdoor structures and regularly check the drainage pipes to prevent flooding.

Resource allocation: All of the above actions will be carried out with existing operational budgets and staffing, requiring no additional significant resources.



IV. Risk Management

(a) *Type, Time Horizon and Financial Impact of Risks*

The principal climate-related risks identified by the Group are typhoons and heavy rainfall, both of which are physical risks. It is reasonably expected that such risks may affect the Group's cash flows in the short term (within one year), as extreme weather events may give rise to production shutdown, property damage and logistical disruptions, thereby increasing operating costs or reducing revenue. In the medium term (one to three years) and long term (beyond three years), given that the Group's production bases are concentrated in Huizhou and exposed to limited risks, no material adverse impact on the Group's access to financing or cost of capital is anticipated.

The Group does not currently face any material climate-related transition risks (carbon tax or regulatory prohibitions, etc.).

(b) *Assets and Business Activities Exposed to Climate-Related Risks*

As of 31 December 2025, the Group's assets susceptible to physical risks comprise the property, plant and equipment, and inventories situated at the Huizhou production base, with an aggregate carrying value of approximately RMB1,202 million, representing approximately 28.8% of the Group's total assets. As the Group currently faces no significant climate-related transition risks, it is not expected that any assets will be affected by such risks.

(c) *Climate-Related Opportunities and Capital Deployment*

The Group's assets associated with climate-related opportunities are primarily energy conservation and consumption reduction facilities. No incremental environmental capital expenditure was incurred during 2025. During the Review Period, the Group's capital expenditure and investments for addressing climate risks and capturing related opportunities amounted to approximately RMB313,000 (including testing expenses for wind-proof reinforcement of living areas, drainage maintenance and carbon certification, etc.), all of which were included in operating budget with no additional financing required.

(d) *Identification, Assessment, Prioritization and Processes of Climate-Related Risks*

The Group mainly uses historical typhoon and rainstorm warning data and extreme weather records issued by the Huizhou Meteorological Bureau as the primary data source. The assessment scope covers production workshops, warehouses, power supply systems and logistics transportation links of the Huizhou production base. Given that the Group primarily faces two limited climate risks, namely typhoons and rainstorms, it currently adopts "worst-case scenario analysis" (i.e., factory flooding, power outage and shutdown under red alerts), and has not yet adopted complex multi-scenario climate models. The Sustainable Development Committee assesses the need to expand the scope of scenario analysis every two years.

The Group assesses risks from two dimensions: likelihood (classified as "High, Medium, Low" based on warning frequency) and impact (measured by estimated shutdown hours and direct economic loss amount). Qualitative factors include emergency response capability and convenience of supply chain substitution. The quantitative thresholds are set as follows: a single event with estimated loss exceeding RMB500,000 or shutdown exceeding 8 hours is classified as high risk.



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Climate risks are categorized as a sub-item of operational risks, at the same level as production safety and occupational health risks. Relative to market risks and credit risks, climate risks have a lower priority; however, when a typhoon/rainstorm red alert is triggered, their priority will be temporarily elevated to the highest level. The Sustainable Development Committee tracks risk changes quarterly through the Climate Risk Monitoring Report submitted by the Safety Committee. On a daily basis, the Safety Committee interfaces with the Huizhou Meteorological Early Warning Platform to monitor typhoon tracks and rainfall in real time.

There were no material changes to the Group's risk management processes during the Review Period. The Group will continue to monitor regulatory requirements and advances in climate science, and adjust its assessment methodology in future years as necessary.

(e) *Climate Resilience*

Given that the Group's currently available skills, capabilities and resources are not yet sufficient to conduct climate scenario analysis of climate resilience, the Group has not yet formally assessed the resilience of its strategies and business models with climate-related scenario analysis as at the date of this report. The Group will continue to monitor regulatory requirements and industry practices, enhance its relevant capabilities when appropriate, and conduct climate resilience assessments when conditions permit.

(f) *Identification, Assessment, Prioritization and Processes of Climate-Related Opportunities*

The Group integrates climate-related opportunities (such as improving energy efficiency, adopting clean electricity, and reducing insurance costs by upgrading drainage systems) into regular operational improvement discussions. Proposals are put forward by the Safety Committee, evaluated by the Sustainable Development Committee, and adopted on a priority basis. Currently, scenario analysis is not used to identify opportunities due to the limited material opportunities. Priority is given to low-cost, quick-impact energy-saving renovation projects.

(g) *Overall Risk Management Process*

The above management processes for climate-related risks and opportunities have been incorporated into the Group's Comprehensive Emergency Response Management Procedures and TCL CSOT Special Emergency Plan for Natural Disasters. Climate risk assessment results, together with safety, environmental and compliance risks, are uniformly included in the annual risk register. The Safety Committee is responsible for routine implementation, and the Sustainable Development Committee reports the climate risk status to the Board semi-annually to ensure that climate risks are considered in an integrated manner with other types of risks at the decision-making level. The Group incorporates identified risks into strategic planning, analyzes existing response preparedness and mitigation capabilities, and prioritizes matters with high risk and urgency.

V. Financial Impact of Risk and Opportunity Identification

As at the reporting date, the Group is currently unable to identify the financial impact of climate-related risks and opportunities on the Group. The Group will develop its capability to estimate and quantify the financial impact of climate-related risks and opportunities on the Group in the future.



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Indicators and targets related to greenhouse gas emissions

Apart from a small amount of direct (Scope 1) greenhouse gas emissions, such as those from vehicles, equipment and machinery, the greenhouse gas emissions of the Group were mainly generated from energy indirect (Scope 2 and Scope 3) emissions, including purchased electricity, product and materials, and power consumption for transportation. During the Review Period, the greenhouse gases emitted by the Group included carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons (no perfluorocarbons and sulphur hexafluoride).

I. Measurement Methodology for Greenhouse Gas Emissions

The Group quantifies greenhouse gas emissions using the operational control approach under the Greenhouse Gas (GHG) Protocol. The measurement scope includes:

Scope 1: Direct emissions from the combustion of fuel in the Company's own vehicles (fuel-powered forklifts, official vehicles), as well as emissions from testing and emergency use of on-site standby diesel generators.

Scope 2: Indirect emissions from purchased electricity, calculated based on the 2023 national average power sector CO₂ emission factor.

Input data:

- Electricity consumption (kWh): Obtained from electricity bills and internal meter reading records
- Fuel consumption (liters): Obtained from fueling records and equipment operation logs
- Emission factors: Scope 2 adopts the 2023 national average carbon dioxide emission factor for electricity; Scope 1 adopts the default emission factor and calorific value for diesel specified in the Provincial Greenhouse Gas Inventory Guidelines. The original emission coefficients are sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, while fuel calorific values and oxidation rates are derived from the Accounting and Reporting Guidelines for Greenhouse Gas Emissions by Electronic Equipment Manufacturing Enterprises (Trial) issued by the National Development and Reform Commission.

Key Assumptions:

- It is assumed that all purchased electricity is sourced from the grid, with no distinction made for the proportion of green power (current green power procurement accounts for <5%);
- All emission calculations are expressed in carbon dioxide equivalent (CO₂e). Other greenhouse gases (such as methane and nitrous oxide) are temporarily excluded due to their extremely low emission levels.

Given that the Group's business primarily consumes electricity and a small amount of diesel, the operational control approach best reflects actual management responsibilities. The adoption of officially issued regional grid emission factors and default values ensures the verifiability of data and consistency with regulatory reporting (such as online carbon emission reporting). As the Group's primary climate risks are typhoons and rainstorms, greenhouse gas emissions are not a core issue, so a simplified methodology is adopted to avoid excessive complexity. During the Review Period, there were no material changes to the Group's measurement methodologies, input data, or assumptions. The Group will make timely adjustments if it is included in the local carbon market or the proportion of green power procurement increases significantly in the future.

II. Industry Indicators

In reference to the relevant indicators for the "Electronic Equipment and Components" industry in the IFRS S2 Industry Disclosure Guidelines, the Group has selected the Greenhouse Gas Emission Intensity measured by sales volume. The specific data are presented in Part III Greenhouse Gas Emission Data. The Group believes that this indicator is conducive to benchmarking against the industry and tracking the improvement of operational efficiency.

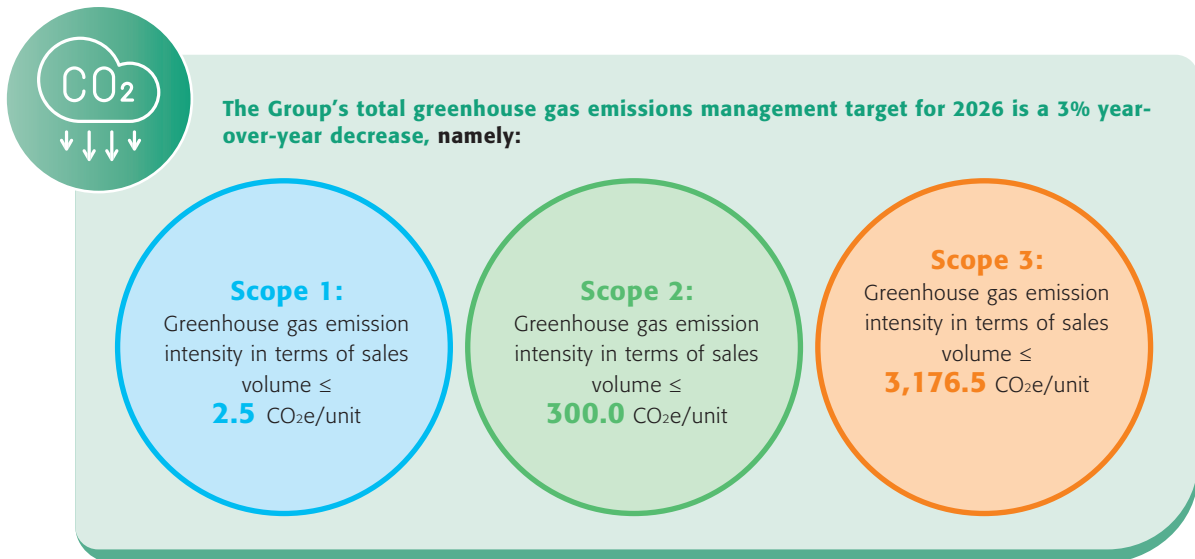


III. Climate-Related Targets and Progress Monitoring

To mitigate climate change, the Group has set qualitative and quantitative targets related to greenhouse gas emissions and manages them in accordance with the following requirements. In setting its targets, the Group has taken into account the long-term goal of the Paris Agreement to limit global warming to 1.5°C; however, the current targets have not been formally verified by the Science Based Targets initiative (SBTi). As regulatory requirements and international agreements evolve, the Group will enhance the rigor of its targets as appropriate.

(a) Targets

- Taking 2025 as the base year, the Group is committed to achieving a reduction of 3% on the greenhouse gas emission intensity (tonnes CO₂e per unit) of Scope 1, Scope 2, and Scope 3 emissions by 2026. The Group adopted the base-year linear reduction method to set targets, which has not undergone third-party verification, given that it is not a mandatory requirement, the Company is small in scale and the lack of industry-specific decarbonization pathways to serve as a reference.
- As 2025 is the base year, there is no available data of the Group's performance against such targets yet. The Group will disclose its performance against climate-related target(s) and analysis of trends or changes in performance in future reports.



- In addition to the short-term targets mentioned above, the Group will continue to identify and implement energy-saving renovation projects (such as LED lighting replacement and air compressor waste heat recovery), which have not been subject to third-party verification. The medium-to long-term target is: achieving carbon peak by 2027 and carbon neutrality by 2050. Taking 2027 as the base year, greenhouse gas emissions from production activities and facilities will be reduced by 10% by 2030. By 2050, carbon neutrality will be achieved at the operational level (Scope 1 and Scope 2 greenhouse gas emission), and by 2060, supply chain carbon neutrality will be realized.

Explanation of the carbon credit utilization plans: As of the date of this report, the Group has not yet established a specific carbon credit procurement plan to achieve its 2050 net-zero carbon neutrality target. Should the Group utilize carbon credits in the future, priority will be given to those verified by international voluntary carbon market standards (such as Verra and the Gold Standard), and the extent of reliance and the verification schemes will be disclosed at that time.



Environmental Report

(b) Procedures for Target Review

The Sustainable Development Committee reviews the targets semi-annually. The review procedures include:

1. The Technology, Safety and Environmental Protection Department summarizing actual emission data for the first half of the year;
2. Comparing deviations between actual intensity and the target pathway;
3. Evaluating the effectiveness of energy-saving measures;
4. If the deviation exceeds 10%, the Committee will analyze the causes and adjust the action plan for the next phase.

(c) Indicators for Monitoring Target Achievement Progress

- Quarterly electricity consumption (kWh)
- Electricity consumption per unit product (kWh per unit)
- Number of completed energy-saving projects and estimated annual emission reduction
- Actual greenhouse gas emission intensity (calculated semi-annually)

(d) Target Revision

There were no revisions to the targets during the Review Period. In the event of material changes to production scale, product mix or regulatory requirements in the future, the Sustainable Development Committee will propose a revision plan for disclosure upon approval by the Board.



IV. Greenhouse Gas Emission Performance

In response to the “30 • 60” carbon emission goal of the State, in 2025, the Group continued to strengthen its carbon emissions management through a series of initiatives. During this period, the Group conducted its annual carbon audit, obtaining the corresponding certification and audit report. The Group entered into green electricity purchase agreements with power supply companies, procuring a total of 90,000 kWh of green electricity and securing green electricity certificates. The Group took the daily transaction price of the China Certified Emission Reduction (CCER) market as the basis for calculating the unit price of its internal carbon pricing. Based on this, the Group has established a management process for an internal carbon pricing shadow price mechanism and incorporated carbon benefit assessments into the benefit evaluation of energy-saving and cost-reduction projects. During the Review Period, the average trading price of the China Certified Emission Reduction was RMB70.8 per tonne. In addition, the Group disclosed its Pollutant Release and Transfer Register (“PRTR”) data and carbon emissions data on the Institute of Public and Environmental Affairs (IPE), to continuously enhance its corporate influence and credibility. The Group’s efforts in energy conservation and emissions reduction received recognition from the Huizhou Zhongkai High-tech Industrial Development Zone, culminating in the receipt of the “Green and Low-Carbon Development Award” from the Huizhou Zhongkai High-tech Industrial Development Zone in February 2025.



The Group was granted the “Green and Low-Carbon Development Award”



Environmental Report

The greenhouse gas emissions data for Scopes 1-3 for 2025 are as follows, with Scope 2 greenhouse gas emissions calculated using the territorial basis method. The Group has not entered into any contractual documents related to electricity consumption, such as Renewable Energy Certificates (RECs), Power Purchase Agreements (PPAs), or green tariffs; therefore, there is no need to disclose contract-based emissions. The composition of the Group's total Scope 3 greenhouse gas emissions is comprehensively assessed based on the 15 categories defined in the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)". The Group has covered the following categories: Category 1 (Purchased Goods and Services), Category 4 (Upstream Transportation and Distribution), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), and Category 7 (Employee Commuting). The remaining categories were assessed as immaterial or inapplicable and are therefore not included in the quantitative disclosures for this reporting period. The Group will continue to improve data collection and gradually expand the scope of quantitative coverage for relevant categories in subsequent years.

Category	Unit	2024	2025	Year-on-year change
Direct (Scope 1) Greenhouse gas emissions	tonne CO ₂ e	428	233	-45.6%
Greenhouse gas emission intensity in terms of sales volume	g CO ₂ e/unit	8.7	2.6	-70.0%
Indirect (Scope 2) Greenhouse gas emissions	tonne CO ₂ e	22,507	27,564	+22.5%
Greenhouse gas emission intensity in terms of sales volume	g CO ₂ e/unit	456.1	309.3	-32.2%
Indirect (Scope 3) Greenhouse gas emissions	tonne CO ₂ e	132,837	291,873	+119.7%
Greenhouse gas emission intensity in terms of sales volume	g CO ₂ e/unit	2,692.2	3,274.7	+21.6%
Total greenhouse gas emissions	tonne CO₂e	155,772	319,670	+105.2%
Greenhouse gas emission intensity in terms of sales volume	g CO₂e/unit	3,157.0	3,586.5	+13.6%

In 2025, total emissions across all scopes increased slightly, primarily driven by a significant increase in the Group's sales volume and the expansion of its production capacity. Total carbon emissions per unit increased by 13.6% year-on-year, driven by the Group's inclusion of carbon emissions from newly accounted-for activities in 2025, such as purchased services, capital goods purchases, end-use of products, and waste disposal.



Environmental Report

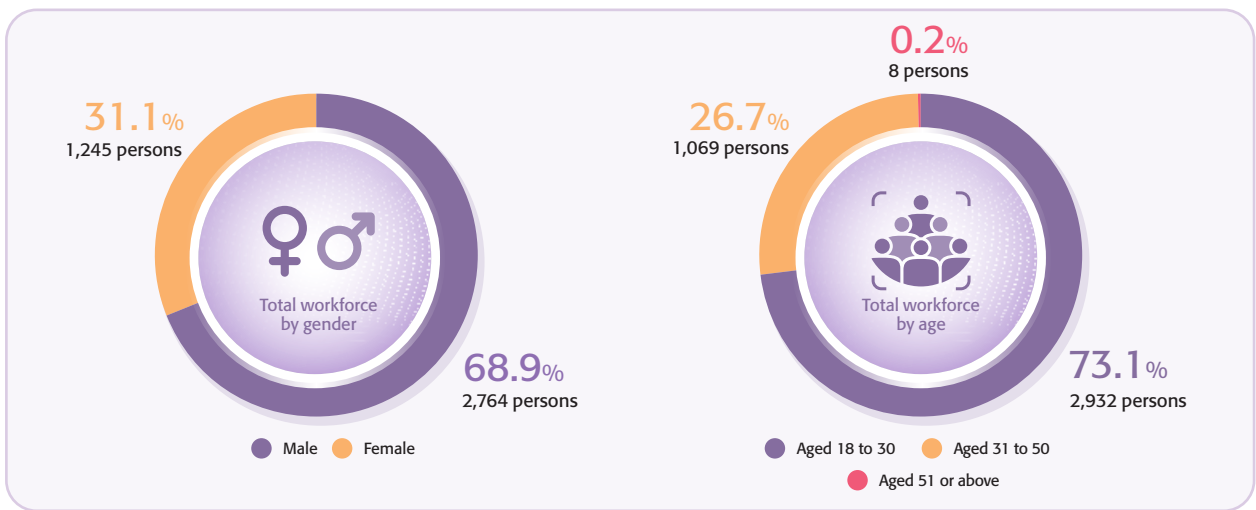
During the Review Period, the Group's routine treatment of exhaust gas emissions and greenhouse gas emissions and the management measures taken to achieve the emission reduction targets were as follows:

Daily management measures	Actions taken to achieve air and greenhouse gas emission reduction targets
1) Optimize the process of greenhouse gas and energy management system; 2) Strengthen the publicity for energy conservation and emission reduction and reduce electricity waste through daily supervision; 3) Improve yield rate and energy efficiency and reduce emissions; 4) Regularly measure and monitor emissions to avoid exceeding the standard.	1) Industrial exhaust gas is collected uniformly, and then discharged after two-stage activated carbon filtration and purification; the activated carbon is regularly replaced; 2) Each year, the emissions are tested by a third party to ensure compliance with the Air Pollutant Emission Standards of Guangdong Province, the PRC; 3) Emission reduction targets are set and carbon emissions are regularly calculated; 4) Enhance the awareness of energy conservation among all employees to reduce electricity consumption and carbon emissions; 5) Energy consumption is reduced through the implementation of energy-saving projects, including the use of the automated control for air compression system and the recovery of waste heat.

6 Employee Report

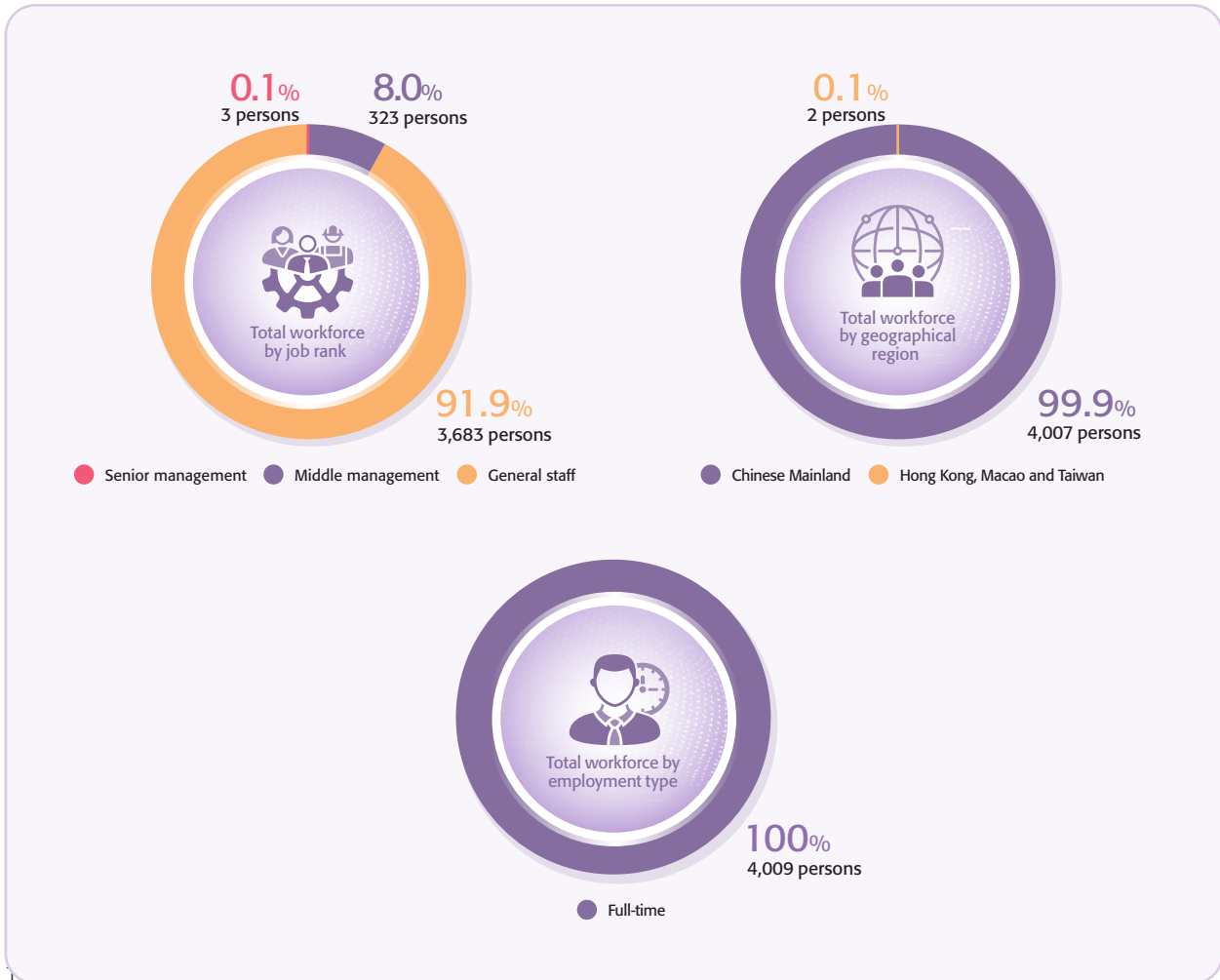


As at 31 December 2025, the Group had 4,009 employees. The specific breakdown is as follows:





Employee Report



During the Review Period, the Group's total employee turnover rate was 4.64%, all reported in Chinese Mainland, with a turnover rate of 4.96% for employees aged 18-30, 3.78% for employees aged 31-50 and 0% for employees aged 51 or above. The turnover rate of male employees was 4.89% and that of female was 4.08%.



Employee Report

6.1 HEALTH AND SAFETY

The Group places significant emphasis on production safety and occupational safety and health, striving to provide a safe working environment for its employees and safeguarding them from occupational hazards in accordance with laws and regulations such as the Safety Production Law of the PRC, the Law on the Prevention and Control of Occupational Disease of the PRC, and the Fire Prevention Law of the PRC as well as applicable national standards. During the Review Period, the Group completed a series of safety inspections in accordance with its internal regulations and guidelines, including the annual inspections of fire-fighting facilities, electrical facilities, and operational hazards in the workplace, which is to ensure the safety facilities, occupational disease prevention facilities, and environmental protection facilities meet the operational requirements of the new factory, providing a safe and healthy working environment for our employees. During the Review Period, the Group did not record any work-related fatal accidents of its employees.

Comprehensive Safety System and Management Mechanism

The Group carefully implemented the national production safety policy of “giving first priority to safety, putting emphasis on prevention and taking comprehensive measures”; strictly executed production safety policies, orders, regulations, standards, systems and rules issued by the state and other higher authorities. The Group further optimised the management system based on the occupational health and safety standard ISO 45001: 2018, and passed the regulatory review of the international certification body, SGS.

The Group set up a special occupational health and safety management team internally and established a sound process system to guide occupational health and safety work. The Group established and implemented a comprehensive safety production responsibility system applicable to all employees. Each year, the Group sets detailed targets and indicators for safety production and specifies them to all departments. The Group clearly defined the responsibilities for safety production management of all departments and had safety production responsibility statement signed at every level. Regularly safety leadership interviews and safety accountability surveys among the management were conducted to ensure they possess the capability for safety management. The Group included safety production and occupational health management in the responsibilities of staff and conducted assessment on the implementation. The Group implemented the policy of “safety management must come before the management of industry, business and production”, and pressed ahead with the establishment of safety committees at all levels, improved the assessment system for safety committees of all departments, carried out quarterly and annual assessments, and formulated a reward and punishment mechanism for accident accountability, with a view to urging all departments to take actions on safety management independently.

During the Review Period, the Group promoted the review and transition of environment and safety (“Environment and Safety”) documents, and completed the integration and update of 282 policy documents benchmarked against TCL CSOT, thereby significantly improving the systematicness and coverage of on-site Environment and Safety management. At the same time, the Group completed the authorization review of 105 Environment and Safety processes, introduced the Environment and Safety management system and the OA Environment and Safety process center, further improving the digitalization of Environment and Safety processes, and advancing the proceduralization and standardization of safety management.



Employee Report

In 2025, the Group's on-site safety risk management and improvement efforts were as follows:

- **Refined Management of Operation Safety:** The Group comprehensively identified safety risks and precautions in the course of operations, continuously optimized standard operating procedures (SOPs), and improved deficiencies in SOPs and their on-site execution by monitoring employee behaviours, aiming to ensure that operational risks and preventive measures were clearly defined. During the Review Period, the Group completed 469 SOP validations and rectified 313 identified issues.
- **Construction Safety Management:** In respect of the construction projects, the Group introduced operation risk prediction activities, broke down operation steps, identified potential hazards, formulated corresponding preventive measures, and implemented construction risk control on site. In addition, the Group strengthened construction safety management, conducted 1,697 on-site supervisions of high-risk operations, offered safety training for 192 construction personnel, and completed acceptance of 336 units of construction equipment and facilities. During the Review Period, the Group did not experience any safety incidents related to construction activities.

Investment in Production Safety

Investment in production safety is a key driver of the Company's sustainable development. During the Review Period, the Group consistently increased its investment in production safety, totalling approximately RMB5.24 million, which was primarily allocated to the following key areas: safety management, environmental protection, equipment safety, and fire safety. As at 31 December 2025, the Group did not record any work-related fatal accidents of its employees.

The Group mainly implemented the following safety measures in 2025:

Safety Inspection

During the Review Period, the Group optimized the Safety Inspection and Hidden Hazards Rectification System, pursuant to which daily inspection was carried out in the factory area while special safety inspections, pre-festival safety inspections, seasonal safety inspections and various forms of mechanism for identifying and rectifying potential hazards by management personnel were regularly organised. Each department of the Company has established its safety committees, which also independently organised internal safety inspection activities. In addition, the Group receives regular external inspections, including safety inspections by government authorities, TCL Technology and TCL CSOT. All issues identified during inspections were reported to the general manager at the weekly meetings, with persons-in-charge appointed to see the rectification complete within a specified period, so as to achieve closed-loop management.

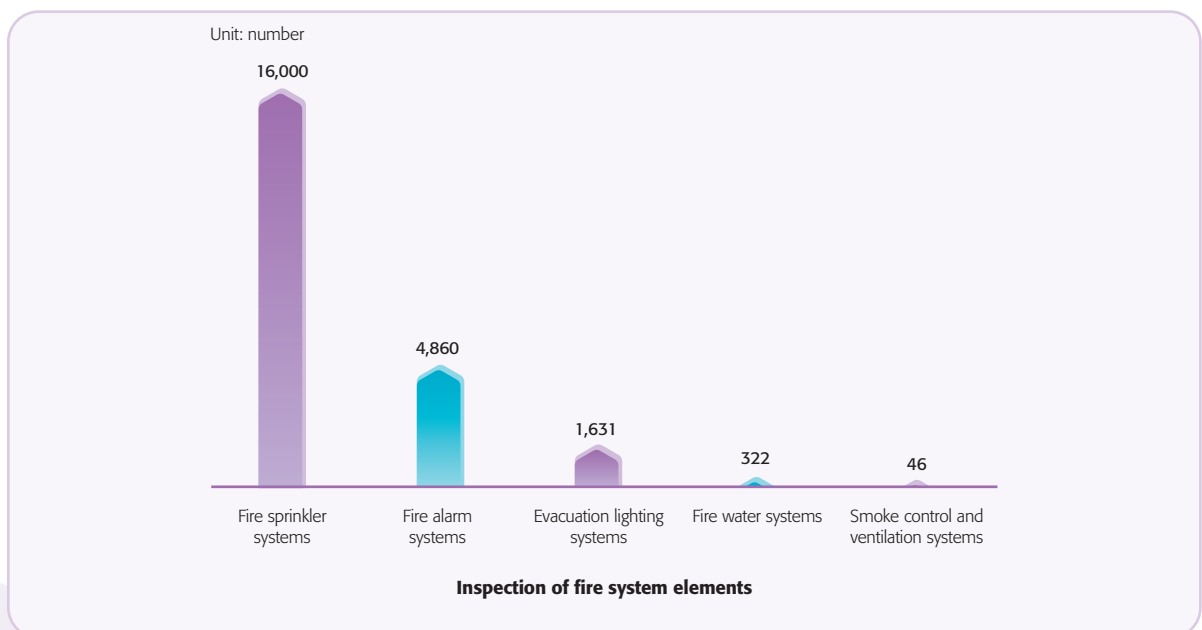
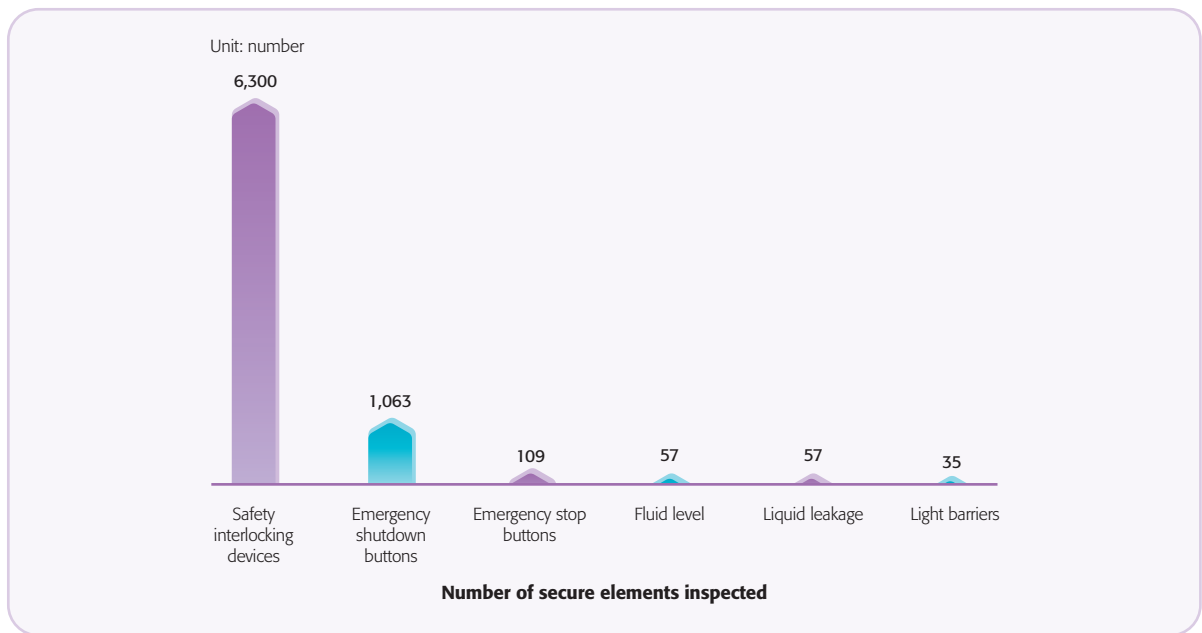


Employee Report

To comprehensively enhance the Company's risk management expertise and improve safety management levels in key areas, the Group has systematically carried out several safety improvement initiatives, achieving significant results:

Special inspection of equipment and facilities

In 2025, the Group carried out comprehensive inspections on equipment secure elements, fire systems and pipeline network meters, investigated 30,480 elements of all kinds and repaired or replaced 28 issues. The comprehensive inspection results are shown in the charts below:

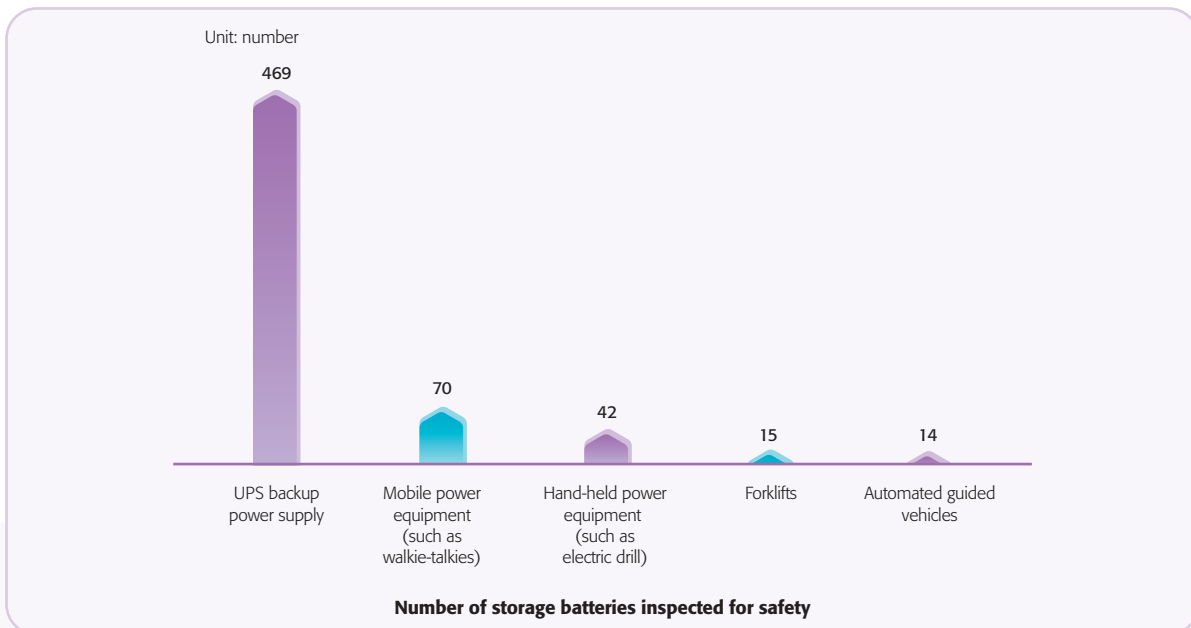




Inspection of fire safety system elements

Electrical Safety Special Inspection

In 2025, the Group conducted a thorough inspection of the power distribution system and storage batteries in the factory area. In terms of storage batteries, 5 risks were identified in 610 batteries and 10 battery charging facilities were improved, thereby effectively mitigating the fire risk. In terms of power distribution system, 285 power distribution boxes were examined, with 6 high temperature irregularities and 74 other irregularities identified and rectified. In addition, the Group analyzed and improved power distribution boxes ledgers in the factory area and classified them into three levels (S, A, B), and incorporated them into daily management.





Employee Report



 FAB Charging anti-explosion devices

During the Review Period, the Group had a 100% rate of rectification of safety hazards. The Group believes that comprehensive rules and regulations serve as the foundation of good management. Through conducting regular safety inspections, issues are identified in a timely manner, and rectification and closed-loop management are made to ensure the safety of the operating environment continuously.



Employee Report

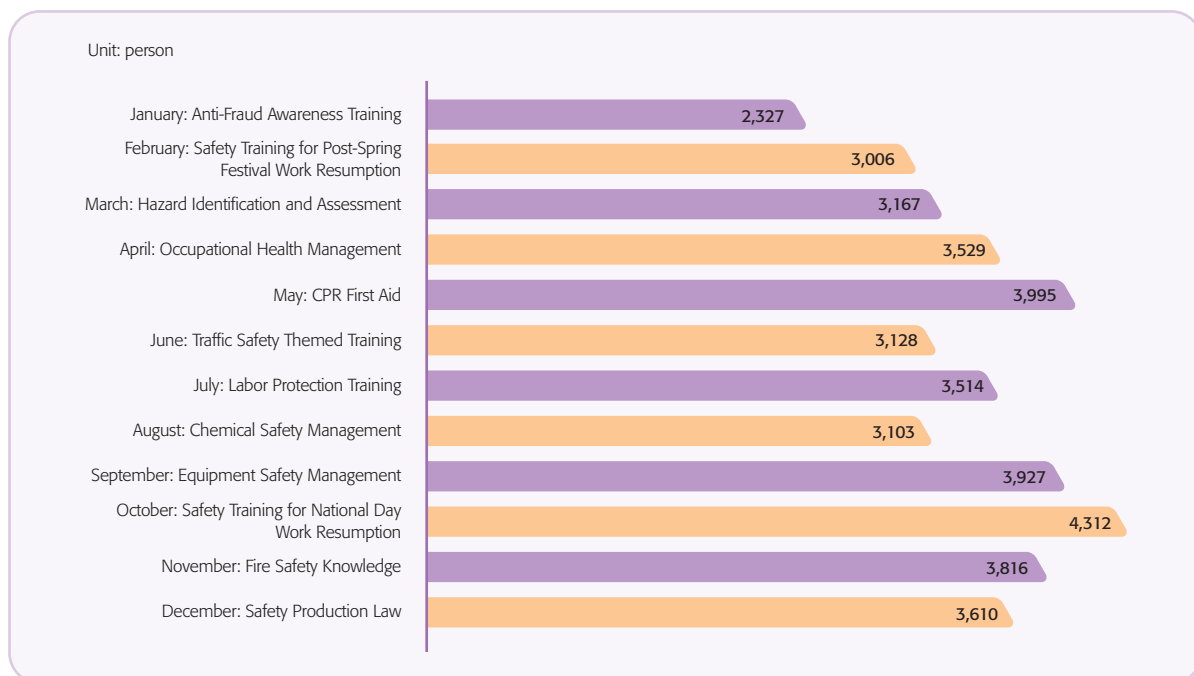
Production Safety Training, Promotion and Education

Production safety education and training are critical measures for the Company to implement safety policies, enhance employee safety awareness, and prevent human-error incidents.

In terms of training system development, the Group closely aligned its overall safety production deployment with the actual production conditions in workshops to establish a comprehensive safety training plan, which places particular emphasis on new employee safety training while strictly implementing the three-level safety education and training system, so as to ensure that all new employees pass the assessment before starting their roles. During the Review Period, all newly recruited employees of the Group are required to complete the pre-job three-level safety education and training. Additionally, specialized training sessions were conducted in key areas, including hazardous chemical management, occupational health protection, and safety awareness enhancement, so as to comprehensively improve our employees' safety awareness and skills.

In terms of training implementation, the Group has adopted a "step-by-step implementation" approach to promote its safety education efforts. During the Review Period, 48,740 instances of its employees participated in safety training, with a total training duration exceeding 203,000 hours, with the subjects covering three-level safety education, safety management capability enhancement training, specialized safety training, self-initiated safety training, specialized operations personnel training, and safety facility and equipment operation training. To ensure the effectiveness of the training, various training sessions were carried out with an assessment and evaluation mechanism to regulate our employees' safety behaviour and enhance their safety operation skills. Among which, the Group strictly enforced the certified operators only policy in the management of specialized operators, achieving a 100% certification rate with non-certified operators completely removed. Through systematic safety education, the overall safety awareness of our employees has been significantly improved, laying a solid foundation for the prevention and reduction of workplace safety incidents.

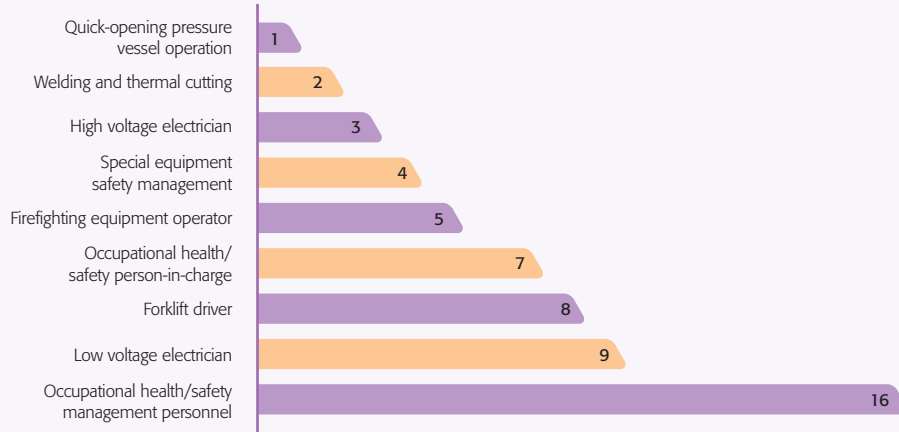
Number of Participants in Special Safety Training Programmes in 2025





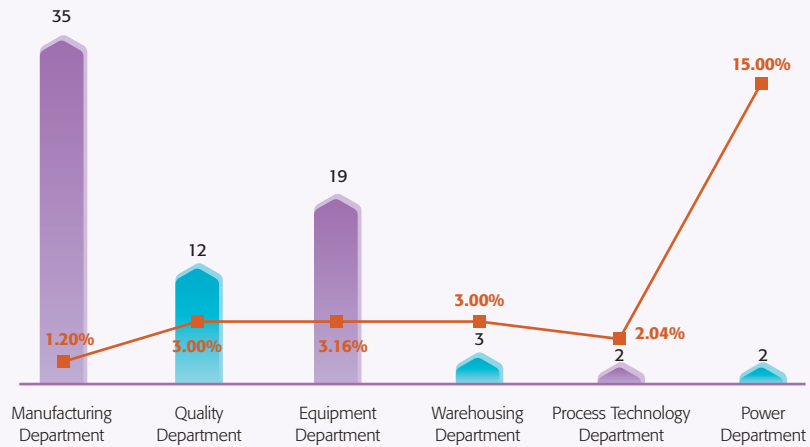
Employee Report

Unit: person



Certification of Employees Subject to Statutory Training

Unit: person



Allocation of First-Aiders



Employee Report

In 2025, the Group continued to promote its safety culture initiatives, which has yielded heartening results. By organizing and implementing themed activities such as Safety Month and Fire Prevention Month, the Group carried out traffic safety publicity and women's health publicity in collaboration with transport authorities and community hospitals, and completed all activities in accordance with the schedule. Meanwhile, the Group conducted special initiatives such as safety labeling, cultural promotion as well as identifying and addressing hidden hazards, and achieved all special targets on schedule. In 2025, the Group updated 1,099 safety signs, improved regional accountability notification, achieving 100% coverage of risk area notification. Additionally, the Group added 315 cultural promotion displays on CSOT's safety philosophy, goals and vision, thereby achieving comprehensive coverage of safety culture promotion. Based on above-mentioned initiatives, the Group has significantly enhanced the overall safety awareness and fire-fighting skills of its employees, thereby fostering a positive safety culture.



Safety Signs/Risk Notification Updating



Employee Report

TCL 华星

安全目标

**0事故
0中断
0伤害**

员工安全环保满意度**100%**

安全愿景

成为让员工热爱、客户信赖、
社会认可的安全绿色显示企业

宁为安全操心，不为事故伤心

TCL 华星

十大保命案例

- 1.任何人不得违章作业，不得违章指挥，不得违反劳动纪律。
- 2.任何人高空作业(1.8米)必须戴安全带和高空坠落保护。
- 3.任何人不得带电作业，绝缘、上锁制度，严禁违章拆除安全防护装置。
- 4.未经许可，不得进行动火、高空、带电、受限空间等高风险作业。
- 5.未经许可，不得拆除和安全保护装置或解除设备安全锁。
- 6.未经许可，不得解除锁闭的设备启动信号。
- 7.禁止未经安全培训教育上岗作业，严禁不具备相应资质的人员从事特殊作业。
- 8.禁止随意拆除消防设施，安全出口以及破坏消防设施，严禁在指定区域以外移动灭火器。
- 9.禁止私自拆穿或处理具有易燃、易爆、腐蚀性的危险化学品。
- 10.禁止瞒报、谎报、漏报、迟报事故事件。

宁为安全操心，不为事故伤心

TCL 华星

十大安全理念

- 一、安全事故是可以提前预防的
- 二、安全隐患是可以提前消除的
- 三、员工安全是企业的首要考量
- 四、安全管理需要全员的有效参与
- 五、培训合格是上岗的前提条件
- 六、制度完善是现场的基本保障
- 七、安全审核是管理者的日常工作
- 八、主管者对辖区的安全直接负责
- 九、重要决策须考量对安全的影响
- 十、宁为安全操心，不为事故伤心

宁为安全操心，不为事故伤心

安全生产方针

安全第一，预防为主，综合治理

安全目标

0事故、0中断、0伤害，员工安全环保满意度100%

消防安全方针：预防为主，防消结合

安全愿景

成为让员工热爱、客户信赖、社会认可的安全绿色显示企业

Safety Culture/Philosophy Promotion

Emergency Drills

In 2025, the Group vigorously developed its emergency response capabilities, and through optimizing its annual drill plans, it prioritized strengthening of its department-level autonomous emergency response capabilities, raising employees' fire safety awareness, comprehension of fire emergency response skills, and verifying the practicality and effectiveness of emergency plans.

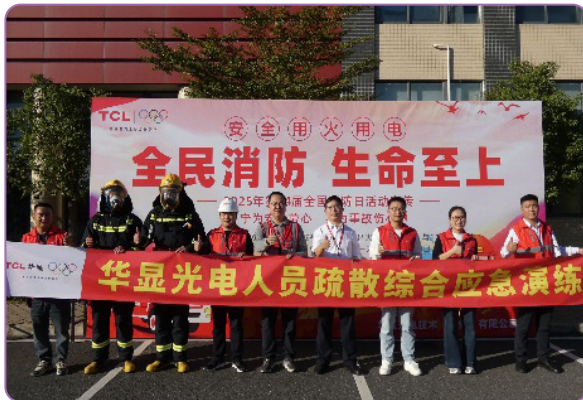
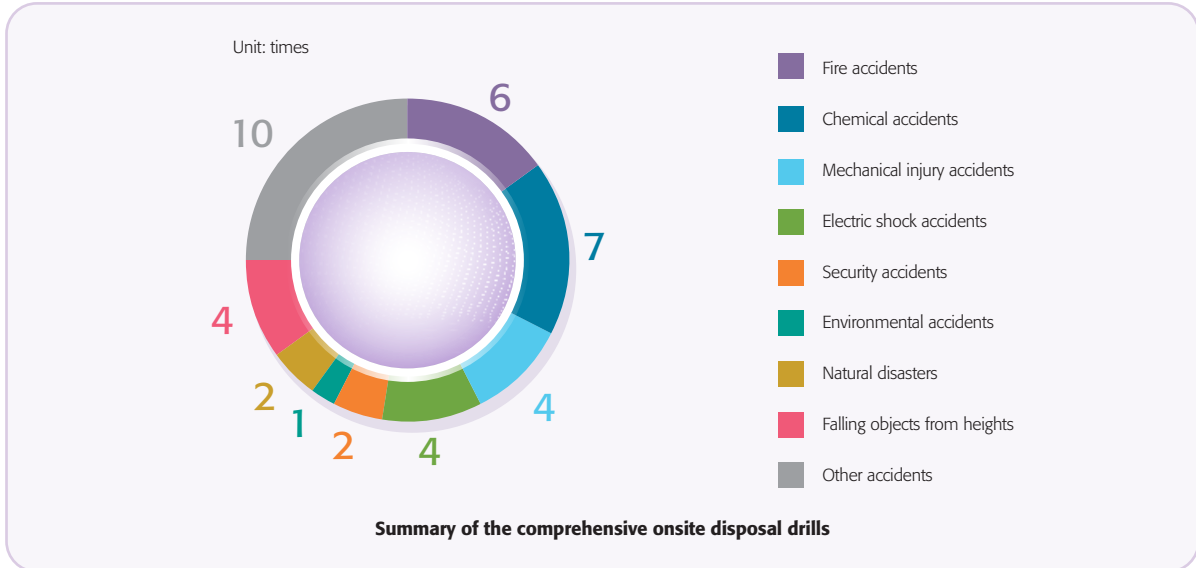
During the Review Period, the Company's drills were executed as planned, comprising 2 comprehensive drills, 3 specialized drills, 40 onsite disposal drills, and 42 disposal training sessions for the Emergency Response Team ("ERT"). Meanwhile, the Company improved its emergency supplies by adding 3 Automatic External Defibrillators (AEDs) and 6 spill response trolleys, and completed the replacement and upgrading of emergency equipment such as long-tube respirators and gas masks.

The senior management of the Group not only personally approved the drill plans and assigned tasks but also went on-site to direct and supervise the process, ensuring the effectiveness of the drills. Additionally, to continuously enhance the professional skills of the emergency response team, the Group continually improves the construction of its ERT organization and conducts emergency skills training for foremen to improve frontline emergency response capabilities. By establishing a regular training system, the Group conducts weekly specialized training sessions to enhance emergency response skills, thereby effectively strengthening the team's practical combat readiness.

During the Review Period, the Group did not encounter any fire incidents, hazardous chemical spills or any other safety accidents.



Employee Report



Comprehensive evacuation drills



Improving emergency supplies



ERT emergency training



Skills training for first-aiders



Employee Report

Occupational Health Management Policy and Measures

In accordance with the requirements of the ISO 45001 occupational health and safety management system and the Law on Prevention and Control of Occupational Diseases of the PRC, the Group continued to optimise its occupational health and safety management system while strictly enforcing them and conducting regular reviews to ensure that issues are promptly identified and addressed. At the same time, the Group also conducted regular inspection and analysis of occupational hazards as well as occupational health education and training programmes in compliance with the law, providing qualified protective equipment to its employees while regularly reviewing the use of such equipment, and implemented health examinations for employees before they are admitted/during their employment/upon their resignation.

In 2025, the Group strictly complied with the TCL CSOT Occupational Health Surveillance Management Process and systematically advanced occupational health management for the new factory. Through professional assessments, a total of 341 occupational hazard monitoring points were identified, covering 19 categories of occupational hazard factors; the pass rate for testing conducted by third-party institutions reached 100%. In the same year, 364 employees in positions involving occupational hazards were registered, and all underwent medical examinations in accordance with the law, including 250 pre-employment examinations, 238 in-service examinations, and 197 pre-separation examinations.

To reduce the risk of noise hazards at workstations, the Group continues to drive on-site equipment noise reduction. In 2025, improvements were completed on grinding and cleaning equipment, with on-site test results all falling below 80 decibels. In addition, through the testing of workplace occupational hazards and the issuance of the Workplace Occupational Hazard Testing and Evaluation Report, the Group also confirmed that the new factory's working environment meets national occupational health standards in all aspects.

During the Review Period, the Group recorded no cases of occupational diseases

6.2 EMPLOYMENT

The Group complies with the relevant aspects of the Labour Law of the PRC, the Labour Contract Law of the PRC, the Implementation Regulations for Labour Contract Law of the PRC, the Provisions on the Prohibition of Using Child Labour, the Law on the Protection of Minors of the PRC, the Social Insurance Law of the PRC, and the Responsible Business Alliance Social Responsibility Management System Standards, as well as other applicable laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare of the Group's employees.

Compensation and Benefits and Promotion Channels

In accordance with the TCL CSOT Employee Compensation Management System, the Group regularly updates employees' compensation conditions based on local gross domestic product (GDP) growth and the latest laws and regulations to provide employees with reasonable, lawful, and competitive compensation and benefits. In accordance with the Labour Contract Law of the PRC, the Group has formulated the corresponding TCL CSOT Attendance and Leave Management System, specifying employees' working hours and rest schedules. All employees are entitled to various statutory paid leaves, such as paid annual leave, statutory leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, and medical leave, etc. In addition, the Group has formulated the ECP Professional Channel Certification Management System and the On-site Staff Skill Certification Management Standards, which clearly define the criteria for employee promotion, the assessment process, and the frequency of promotions. These measures create a fair and impartial career development and promotion channel, providing employees with opportunities for growth and development.



Employee Report

Recruitment, Dismissal and Diversity

The Group ensures that job applicants enjoy equal opportunities in accordance with the internal policies of the On-site Staff Recruitment and Deployment Management Process and the Staff Social Recruitment Management System, and follows the principles of “compliance with laws and regulations, fairness and impartiality, avoidance of nepotism, and merit-based hiring”, regardless of race, skin colour, religious belief, disability, political affiliation, age, or gender.

The Group promotes non-discrimination and diversity and inclusion, and actively recruits and supports people with disabilities. During the Review Period, the Group provides equal opportunities for employees with disabilities in recruitment, training, and promotion processes. It offers appropriate training and guidance based on position requirements, ensuring that those who meet the criteria can participate in promotion and selection processes. The Group assigns suitable job positions to employees with disabilities based on their physical conditions and job adaptability and arranges for frontline managers to support and assist them in adapting to their positions and mastering the necessary skills. Job rotation and trial positions are also provided as needed. In addition, the Group organises team activities for employees with disabilities annually, distributes monthly work subsidies, and optimises attendance tracking and access control settings, ensuring that they can work conveniently and effectively.

As at 31 December 2025, the Group employed a total of 30 employees with disabilities. Through the provision of considerate care and comprehensive welfare protection, employees with disabilities demonstrated a high level of dedication and a strong sense of belonging in their work, achieving zero-turnover during the year, fully reflecting the Group’s corporate culture of inclusive development.

Anti-discrimination

The Group has issued the TCL CSOT Anti-Discrimination Management Regulations and conducts training and awareness programs for employees, specifically targeting those involved in recruitment, compensation and benefits, training, and performance evaluation. These initiatives ensure that no discriminatory content or actions are present in the related management measures. Any form of discrimination based on race, skin colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religious belief, political affiliation, or marital status is prohibited.

The Group continuously incorporates anti-discrimination principles into new employee orientation, annual training, and human resources related training and reinforces daily publicity through posters from the Group and TCL Technology.

The Group’s dismissal procedures strictly adhere to internal regulations, ensuring they are reasonable, lawful, and fully compliant with relevant laws and regulations.



Employee Report

Employment Compliance

The Group constantly reviews and improves its recruitment and labour management processes of child labour, forced labour, and underage labour. It strictly abides by the Labour Law of the PRC, the Law on the Protection of Minors of the PRC, TCL CSOT Prohibition of Using Child Labor Management Regulations and the International Labour Standards and firmly believes that employing child labour or forced labour violates basic human rights and hinders the sustainable development of both the Group and society.

During the recruitment process, the Group's Human Resources Department implements strict background checks, identity verification, and other measures to prevent the employment of child labour, forced labour, and underage workers. In addition to conducting pre-employment checks, the Group also performs monthly age verifications for all employees. If child labour is identified during these checks, the Group will implement the following measures in accordance with the internally issued TCL CSOT Prohibition of Using Child Labor Management Regulations:

1. The Group will immediately terminate the labour contract and actively assist the individual in returning to school, including contacting suitable schools and covering tuition fees and basic living expenses;
2. The Group will provide job opportunities for the child's family members to help alleviate their financial burden until the child reaches adulthood;
3. If a child labour falls ill or is injured, the Group will arrange medical treatment, cover all medical expenses, and provide a living allowance for the duration of the treatment.

The Group is firmly committed to prohibiting forced labour, slavery, and human trafficking. The Group's Human Resources Department carefully considers job responsibilities, staffing allocations, and candidates' backgrounds during recruitment to ensure a reasonable workload and prevent excessive fatigue. The Group respects employees' rights and interests and strictly adheres to its internal TCL CSOT Prohibition of Forced Labour Management Regulations, ensuring that employees are legally entitled to freedom of occupation, the right to work voluntarily, and the right to terminate their employment contracts. Furthermore, the Group provides grievance channels to safeguard employees' human rights, including their rights to rest and leave.

If the Group discovers any instances of forced labour, it will immediately take the following remedial measures:

1. Terminate the forced labour practices;
2. Return any withheld personal identification documents;
3. Provide financial compensation to affected employees;
4. Arrange for affected employees to return to their hometowns or transfer them to relevant authorities.

During the Review Period, the Group did not have any incidents of child labour, underage labour, forced labour, and illegal employment.



6.3 DEVELOPMENT AND TRAINING

Creating development opportunities for employees is one of the Group's core missions. To cultivate and enhance employees' skills and knowledge, the Group has established and refined relevant management systems, invested various resources each year to conduct employee training, and selects talent in a fair and open manner.

Career Development Path

The Group regards employee development as a vital cornerstone of sustainable development and has established a career development system that covers all employees with clear paths. Through standardized talent evaluation, promotion and development channels, the system provides employees with a clear career roadmap and capability improvement directions, effectively stimulating the internal impetus of the organization and individual potential.

To continuously enhance the scientificity and adaptability of the system, in 2025, the Group organized experts to comprehensively revise the ECP Certification Management Standards and the On-site Staff Skill Certification Management Standards, and newly established 2 and optimized 9 career pathway standards to align with business development needs and technological evolution trends, ensuring talent growth is synchronized with the Group's strategy.

During the Review Period, the Group deepened the implementation of ECP certification and talent structure optimization, and the overall competence of the technical team improved significantly. The Group has established a Talent Management Committee and developed multiple ECP non-management professional development pathways. Through ECP certification and structural optimization, the proportion of senior engineers and principal engineers reached 51%, and that of intermediate-level technicians and above reached 60%. In addition, 13 outstanding technical employees were awarded the titles of "Chief Technician Registered with the Organisation Department of the Municipal Party Committee" and "Young Experts Registered with the Organisation Department of the Municipal Party Committee" during the year, reflecting the solid achievements of the high-skilled talent echelon.

Structure Chart for ECP Standards

ECP level	Individual Position level	Education	Division	
P/T6	14	Bachelor's Degree and Above	R&D Division Manufacturing Division Supply Chain Division Quality Division Finance Division Others (if any)	
	13			
P/T5	12			
	11			
P/T4	10			Associate Degree and Above
	9			
P/T3	8			
	7			
P/T2	6			
	5			
P/T1	2-4			



Employee Report

Training

Under the Group’s philosophy “Achieving Global Leadership with Top Talent”, the Group continuously improves its training system to promote job-role alignment and team development. During the Review Period, the Group achieved 100% employee training coverage. It dispatched 25 employees to attend external courses and invited professional instructors to conduct 12 thematic training sessions covering safety, management and specialised technical skills, with a total of 121 participants and 408 training hours. The annual investment in external training exceeded RMB180,000, systematically enhancing employees’ capabilities and the Group’s overall competitiveness.





Employee Report

The major trainings organised by the Group during the Review Period were as follows:

Leadership Enhancement

To enhance the comprehensive management capabilities of managers at all levels, the Group launched the “Leadership Development Program” in October 2025. Through various forms such as “Management Salon Sharing Sessions”, “Specialised Courses” and “Practical Projects”, it comprehensively improved managers’ comprehensive competencies in strategic thinking, teamwork, problem-solving and change driving. Focusing on actual management scenarios, the program encourages managers to apply what they have learned to real business operations, promoting the transformation of management approaches from “experience-driven” to “competency-driven”. The training covers management levels to grassroots backbones, emphasizing both cross-departmental collaboration and personal growth, effectively improving organizational management efficiency and providing sustained momentum for the Group’s high-quality development.



General Manager’s 3-on-3 training for cadres



Cadre management salon



Lean thinking training for managers

Young Eagle Power Camp

As one of TCL Technology’s key annual training programs, the “Young Eagle Training Camp” is dedicated to systematically nurturing newly recruited college graduates. The two-week program includes more than ten theoretical courses covering corporate culture, product knowledge and safety education, with each participant completing 88 training hours. In addition, nearly 10 hours of outdoor team-building activities are arranged to strengthen teamwork and cohesion. To accelerate new employees’ integration, the Group also assigns a mentor to each participant to develop a personalised transition plan, providing comprehensive guidance for their learning and job development.



Employee Report

Young Eagle Mentor Empowerment

The Group implements a “Mentor First” mechanism to help fresh graduates achieve smooth role transition. Prior to Young Eagle trainees’ official onboarding, professional mentors are arranged to connect with them in advance, systematically introducing job responsibilities and providing targeted guidance based on the personality traits of post-2000s trainees. This special empowerment initiative covered more than 18 mentors and human resources team members, laying a solid foundation for subsequent one-on-one coaching and job integration.

Eagle Nurturing Program

To continuously enhance on-site automation capabilities, the Group launched the “Eagle Nurturing Program” skill talent development initiative, which aims to cultivate professionals proficient in automated system operation and maintenance. A total of 100 potential employees have been selected as key trainees. Through systematic theoretical training, practical exercises and on-the-job experience, the program strives to develop 50 high-skilled talents, achieving a talent success rate of 50%. This program not only reserves critical technical capabilities for the Group’s automation transformation, but also further improves the closed-loop system from technical training to talent deployment, laying a solid talent foundation for the sustainable development of the business.

Zero Defect Training

“Zero Defect” is an outstanding quality concept proposed by Philip Crosby, emphasizing “Do it right the first time, do it well the first time”. During the Review Period, the Group’s management attended thematic training hosted by the president and experts at China Crosby Academy, systematically studying core contents including “New Zero Defect Quality Outlook”, “Zero Defect Change Method” and “Cost of Non-Conformance Management Method”, reshaping managers’ quality thinking and driving the transformation from “Qualification-Oriented” to “Zero Defect-Oriented”. Through internalizing the concept and implementing the methods, the management strengthened the awareness of quality prevention, promoted cross-departmental collaboration and process standardization, laying a solid foundation for building a quality system with high stability and high customer satisfaction. At the end of the same year, “Zero Defect” Promoters who passed the training assessment conducted internal training for employees, with nearly 600 employees participating to thoroughly learn core “Zero Defect” methods and tools, further consolidating quality awareness.



Lecture by the Dean of Crosby College



“Zero Defect” Promoter Training



Employee Report



Quality Control IQC “Zero Defect” Training



Process “Zero Defect” Training

Online Learning

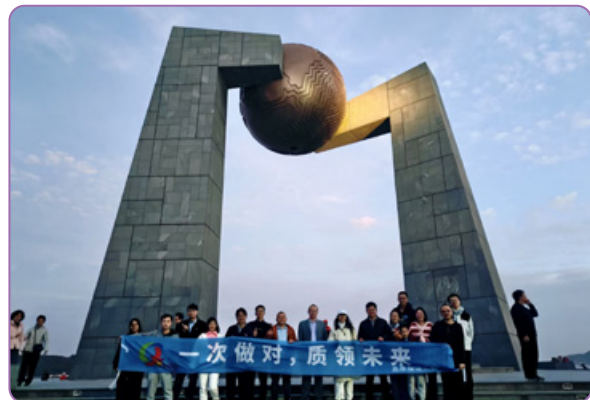
The Group actively promotes the online learning model, leveraging its advantages of flexibility, convenience and fragmented time utilization to effectively save employees’ time costs. The online platform also facilitates knowledge accumulation and sharing, supporting repeated learning to deepen understanding. In 2025, the Group continued to advance digital learning, with courses covering workplace safety, information security, process technology, product knowledge, professional skills and other fields, achieving full employee coverage. The average learning hours per person exceeded 12 hours, significantly improving training efficiency and organizational knowledge management capabilities.

Team Building

The Group conducts team building activities in diverse forms to continuously enhance organizational cohesion and collaboration efficiency. It is committed to forging an outstanding team with aligned goals, efficient coordination and strong execution, providing solid organizational support for strategy implementation and high-quality development.



“Unite Together, Forge Ahead” Company team building



“Do It Right the First Time, Lead the Future with Quality” quality team building



Employee Report

6.4 EMPLOYEE CARE AND COMMUNICATION

The Group adheres to the principle of “caring for employees and promoting harmonious development”. Through diversified care measures and communication mechanisms, it enhances employees’ satisfaction and sense of belonging.

Improve the Communication Ecosystem and Its Implementation Forms

The Group continuously optimizes its employee communication mechanisms to enhance the effectiveness and depth of communication. Firstly, it has upgraded regular meetings to “Bi-Monthly Themed Communication Meetings”, focusing on issues of concern to employees such as canteen services, workshop environment and leisure facilities, and ensures the implementation rate of improvements through cross-departmental collaboration. Secondly, it has promoted the “Departmental Personalized Communication Meetings”, encouraging various departments to hold diverse activities including grievance sessions, tea parties, team meetings and lunch meetings, so as to extend communication channels to the grassroots level and achieve full coverage, strengthening team cohesion. During the year, a total of 16 communication meetings were held, covering more than 500 person-times, collecting over 200 employee opinions with an improvement rate of 94%.

Meanwhile, we continue to maintain diversified daily feedback channels such as the General Manager’s Mailbox, internal hotlines and online platforms to ensure that employees can conveniently put forward their opinions. By establishing a multi-level and three-dimensional communication ecosystem, we effectively safeguard employees’ right to speak, significantly enhancing their sense of belonging and organizational engagement.

Employee Assistance Program and Physical and Mental Care

The Group continuously develops and improves the support system for employees’ physical and mental health. It has established a basic service framework covering mental health promotion, themed activities, online psychological counseling and psychological tests, and enhanced the convenience of the “Employee Assistance Program (EAP)” through regular information dissemination. In addition, a series of online mental health themed lectures have been added, focusing on practical topics such as stress management and emotional regulation. Meanwhile, the “Employee Guidelines for Psychological Crisis Prevention and Intervention” has been compiled and distributed to systematically improve all employees’ psychological self-help and mutual assistance capabilities. Through continuous optimization, the Group is committed to building a more supportive, preventive and systematic mental health care system.

Cultural Incentives and Setting Examples

Since 2020, TCL Technology has launched the “Star-level Cultural Model Employees” selection, encouraging employees to contribute articles to the WeChat Official Account, participate in public welfare activities, and put forward suggestions. Employees are rewarded with cash bonuses and points, and outstanding employees are selected and commended annually. The Group continues to optimize the development of its employee incentive and honor system, establishing a multi-level honor system covering both short-term and long-term recognition. It has added short-term incentives such as Monthly Excellent Team Leader, Production Line Star, and Team Breakthrough Award, as well as long-term honors including Gold Foreman, Five-Star Craftsman, and Striver Star, with a stronger focus on the performance and contributions of frontline teams and employees.

Meanwhile, the Group has established a mechanism to promote the deeds of outstanding employees. Through various channels, it showcases employees’ stories of dedication and practical experience, strengthens the exemplary role of role models, enhances employees’ sense of accomplishment, honor and team pride, and further fosters a positive, performance-oriented organizational culture.



Employee Report

Canteen Management

In 2025, the Administrative Division implemented canteen management in compliance with the high standards of TCL CSOT. The main measures were as follows:

Supplier management: Introduced outstanding catering suppliers to improve catering service quality and food safety management standards. Conducted on-site inspections no fewer than twice a week to ensure full implementation of food hygiene standards, and carried out third-party food safety audits every quarter.



 New canteen launched on January 1, 2025

Demand response: Conducted satisfaction surveys every quarter and actively improved issues raised by employees. A total of 40 improvement items were completed. The average satisfaction score in 2025 reached 94, representing a year-on-year increase of 2 points.

Menu optimisation: Regularly updated the menu according to employees' opinions. During the year, 28 new meal lines and 169 new dishes were launched, covering various regional specialty meal lines and items to meet diverse taste requirements.

Canteen Upgrades: Reconfigured dining area layouts and replaced lighting fixtures in dining zones to enhance brightness; optimized the flow of buffet lines to reduce queuing congestion; adjusted seat spacing to improve dining comfort; customized self-service rice and soup stations and kitchen waste recycling stations, comprehensively enhancing the dining environment and food safety standards.

Culinary events: Held 7 events throughout the year, including a joyful Lunar New Year's Eve celebration, a lively Lantern Festival celebration, a Dragon Boat Festival Zongzi wrapping experience, a Sichuan Food Festival in summer, and a Winter Food Festival. These events greatly enriched employees' leisure time, boosting employees' sense of belonging and happiness towards the Company.



Employee Report



Lively lantern festival celebration



Dragon Boat Festival Zongzi wrapping experience



Sichuan Food Festival in Summer



Winter Food Festival

Accommodation Management

The Group adheres to the people-centric sustainable development philosophy and deeply integrates ESG governance into the whole-process management of employees' dormitories. It continuously iterates from four dimensions: safety assurance, environmental optimization, service upgrade and humanistic care, systematically improving employees' living quality, strictly controlling environmental and safety risks, earnestly fulfilling corporate social responsibilities, anchoring employees' housing needs, and building a safe, orderly, comfortable and warm second home for employees.

➤ Dormitory Safety and Environmental Optimization

Safety Hardware Upgrades:

- Installed safety nets in all public areas of the dormitories, deployed 48 monitors in fire escape passages and added 16 special cameras for high-altitude parabolic objects in the dormitory area, constructing an all-round protection network to eliminate potential safety hazards of high-altitude falls, high-altitude parabolic objects and blocked fire escape passages;
- Specially planned and built standardized smoking areas in the factory area and established a normalized management system to scientifically guide smokers and prevent safety risks caused by unauthorized smoking;



Employee Report

- Relocated the industrial waste storage point from the densely populated dormitory area to the West Gate Post, eliminating potential environmental and safety risks at the source and ensuring a safe and clean accommodation area;
- Completed the pedestrian-vehicle separation renovation project in the dormitory area, and issued a special management notice to clarify traffic specifications simultaneously, attaching equal importance to physical isolation and institutional constraints, avoiding risks of mixed pedestrian-vehicle traffic and optimizing traffic safety order in the accommodation area.

Environmental Optimization and Improvement:

- Upgraded environmental sanitation control standards, increased the frequency of dormitory disinfection from 2 times to 4 times a month, strengthened pathogen prevention and control, and built a solid health defense line for employees' residence;
- Leveled and repaired nearly 700 square meters of sunken ground in the dormitory area, and uniformly applied epoxy paint simultaneously, solving road traffic problems and realizing a neat and unified visual appearance of the park;
- Continued the normalized sanitation evaluation mechanism to guide employees to jointly build a clean living space and continuously consolidate public area environmental sanitation.

Business Travel Room Experience Improvement:

- Promoted the quality upgrade of business travel rooms, invested RMB32,500 to renovate and optimize door frames of 10 rooms, added 2 standard single rooms, equipped 29 accommodation supplies and updated standardized signs, realizing standardized guest room management and improved spatial texture.

➤ Improving Dormitory Service Standards and Enhancing Employees' Sense of Belonging

The Group enhances employees' sense of belonging and happiness through the following measures, creating a warm dormitory community ecosystem:

Living Services: Carried out special value-added activities in the Service Month, focusing on the core needs of living environment cleaning and maintenance, launched 5 types of living services in employees' dormitories, completed mattress mite removal and curtain cleaning for a total of 648 room-times, ensuring employees' residential health.

Corporate Culture Brand: Issued monthly administrative service white papers, completed and publicized 126 service improvement items in 2025, conveying corporate care culture, smoothing two-way communication, and deepening employees' value recognition and sense of belonging.

Community Culture Construction: Planned and built an employee activity center, a supermarket and a property service center in the dormitory overhead floors in an overall way, integrated scattered service functions and created a one-stop residential service scenario. At present, all constructions are progressing in an orderly manner.



Star Friends Life Festival



Employee Report

Employee Activities

The Group's labour union was established in May 2005, and members of the labour union committee are elected regularly to safeguard the legitimate rights and interests of all employees. During the Review Period, substantially all permanent employees have joined the labour union.

The labour union committee cares about the physical and mental health of employees. The labour union has set up various interest groups, and carried out various activities on a regular basis. The Group enhanced its employees' sense of cohesion and belonging through various cultural activities. During the Review Period, the labour union spent approximately RMB302,500. In addition to continuing traditional activities such as the Starlight Run Sports Games, basketball and badminton matches, and employee skills competitions, it also launched the first session of the Employee Children's Care After-school Class (attended by 70 children) and held the second Children's Day Open House simultaneously. Through this series of activities, the cultural life of employees was enriched, achieving effective coverage of all employees.



TCL 12th Badminton Competition



Star Cup Basketball League



Children's Day Open Day



Summer Holiday Care Class



16th Anniversary Starlight Run



Dual Festival Garden Party

Through a synergistic “Hardware + Service + Culture” approach, the labour union, human resources and administration departments have seamlessly integrated ESG governance with employee well-being, driving the realisation of the Group’s sustainable development objectives.



Employee Report

Employee Benefits

In strict compliance with national laws and regulations on labour, social security and other aspects, the Group provides its employees with “five kinds of insurance and one fund”, social insurance and statutory holidays (such as marriage and bereavement leave, maternity leave), as well as subsidies for special positions (such as care allowances for disabled employees and maternity subsidies), ensuring that employees can work with peace of mind.

Starting from 2025, the Group’s HR Shared Service Center has taken overall charge of compensation, benefits and employee services. To enhance employee experience, the Center completed the design and optimization of the service environment and processes at the end of the same year, further facilitating employee affairs and creating a warm service atmosphere.



 HR Shared Service Center

The Group deeply recognises that employees are the most valuable assets of the enterprise. It integrates humanistic care into corporate governance, and takes employee holiday benefits as an important embodiment of practical implementation. To appreciate employees’ hard work, the Group has fully implemented the “Equal Holiday Benefits Policy” starting from 2025, achieving equal standards of holiday benefits for ordinary employees and management. This move is not only an institutional adjustment but also demonstrates cultural upgrading: respecting every effort through shared benefits, practising “everyone is an owner of the enterprise” with concrete actions, enhancing employee experience with thoughtful care in details, thereby strengthening employees’ sense of belonging and loyalty.

7 Integrity Report



7.1 INTEGRITY POLICY

The Group always adheres to business ethics and maintains a “zero tolerance” attitude towards integrity issues (including but not limited to fabrication, soliciting, accepting or offering bribes, abuse of power for personal gain, conflict of interest, unauthorized investment or moonlighting, extortion, fraud and money laundering). It strictly abides by relevant laws and regulations including the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC, the Anti-Money Laundering Law of the PRC, and the Interim Provisions on the Prohibition of Commercial Bribery (State Administration for Industry and Commerce Order No. 60), and continuously strengthens the development of the integrity management system. During the Review Period, there were no pending or concluded legal cases regarding corrupt practices brought against the Group or its employees.

In terms of system development, the Group has formulated and implemented internal regulations including the TCL CSOT Anti-Bribery Management Manual, the TCL CSOT Integrity Management Policy, the TCL CSOT Management Measures on Employee Conflict of Interest and Gift Acceptance, and the TCL CSOT Employee Reward and Punishment Management Policy. These documents explicitly prohibit soliciting, accepting or offering bribes, fabrication, abuse of power for personal gain, conflict of interest, and unauthorized investment or moonlighting. They also identify high-risk positions and establish provisions for the investigation and handling of violations of integrity standards, effectively regulating employee conduct.



Integrity Report

In addition, the Group has consolidated and adopted the Anti-Corruption Policy with effect from 1 January 2022 (available on the Company's website at www.tclcdot.com), which sets out guiding principles on anti-corruption matters including bribery, acceptance and offering of advantages, conflict of interest and anti-money laundering.

In terms of employee management, the Group requires all new employees to sign the Personal Integrity Commitment. All employees participate in online integrity-related training courses, and the Audit Center regularly conducts integrity promotion and training combining routine and innovative approaches to enhance the coverage and effectiveness of integrity education. In 2025, under the theme of "Promoting Honesty and Advocating Integrity", the Group improved its integrity management system through cross-departmental collaboration, carried out diversified integrity promotion via multiple channels, established integrity teams in various organizations, and set up a regular learning mechanism combining online courses and offline lectures, striving to foster a clean and upright working environment.

In terms of partner management, the Group adheres to the "Six Nos and One Commitment" principle: no nepotism, no bribery, no gifts, no jerry-building, no deception, no commercial fraud and keeping promises. It requires all partners to sign the Code of Conduct for TCL Partners, incorporates integrity and social responsibility criteria into supplier onboarding and annual reviews, and continuously promotes integrity culture through events such as supplier conferences.

During the Review Period, the Group provided all employees with diverse educational resources including online integrity courses, offline lectures, warning education, video exhibitions, integrity posters and social media posts. It also distributed online learning materials from the Hong Kong Independent Commission Against Corruption to the Group's directors. In 2025, there were no legal proceedings regarding corrupt practices brought against the Group or its employees.



Integrity forum: Collaborating and pooling collective wisdom



Special lecture: Promoting governance through case studies



7.2 WHISTLE-BLOWING POLICY

The Group is committed to upholding high standards of integrity, transparency and accountability, and believes that an effective whistle-blowing system can help detect and monitor improprieties within the Group. To fulfill this commitment, the Group has specified the whistle-blowing process in the TCL CSOT Supervision and Management Policy and the Employee Relations Management Process, and issued the Whistle-Blowing Policy (available on the Company's website at www.tclcdot.com) and the Whistle-Blowing Channels Announcement, encouraging employees and partners to report clues of incidents that harm the interests of the Company, violate the Company's policies or relevant laws and regulations.

Whistleblowers may report misconducts to the Audit Center or the chairperson of the Audit Committee of the Group via email or telephone. Methods for filing complaints are set out in the Whistle-Blowing Policy and the Employee Relations Management Process. The Group will handle whistle-blowing information in accordance with relevant integrity management policies and keep the whistleblower's identity strictly confidential. The Audit Center assigns dedicated personnel to handle whistle-blowing complaints and investigate violation cases, strengthening the deterrence and punishment of violations, and fostering a culture of integrity and honesty.

The Group will also review and update its whistle-blowing policy from time to time to ensure its ongoing effectiveness.



8 Social Welfare Events



The Group actively fulfills its social responsibilities and regards community service as an important part of sustainable development. In 2025, the Group implemented the “Regulations on the Management of Public Welfare Activities”, responded to the calls of superior public welfare organizations and volunteer teams, and organized employees to participate in public welfare activities with themes such as environmental protection, plogging, and community culture dissemination, supporting the concept of sustainable development and conforming to the interests of communities.

During the Review Period, the Group’s volunteers actively participated in volunteer activities and community public welfare events organized by Zhongkai Hi-Tech Zone in Huizhou. The volunteers took part in the themed activity of “Inheriting Good Family Values and Promoting Good Family Teachings”, including public welfare plogging to support beautiful countryside construction and the themed lecture on “Zhongkai Spark – Village History and Family Values & Teachings”.

The Group joined hands with public welfare organisations in Huizhou to carry out community cultural dissemination activities for employees and community families, appealing to the public to pay attention to environmental protection and inheritance of community culture. During the Review Period, the Group also donated public welfare supplies to the New Era Civilization Practice Center and public welfare volunteer teams in the district from time to time, contributing to the development of public welfare undertakings.

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The following indicators take into account the mandatory disclosure requirements and “comply or explain” provisions under the Guide, relevant data of which are set out in this report.

9.1 MANDATORY DISCLOSURE REQUIREMENTS

Description	Disclosure section
<p>Governance Structure A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the Board’s oversight of ESG issues; (ii) the Board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	2.1 Statement of the Board



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Description	Disclosure section
Reporting Principles A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:	2.3 Basis of Preparation
Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	3.3 Communication with Stakeholders and Analysis of Material Issues
Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	
Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	
Reporting Boundary A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2.2 Reporting Scope



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9.2 “COMPLY OR EXPLAIN” PROVISIONS

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS

Description		Disclosure section
A. Environmental		
Aspect A1: Emissions	General Disclosure	5.2 Emissions Reduction
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	<i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</i>	
	<i>Hazardous wastes are those defined by national regulations.</i>	
KPI A1.1	The types of emissions and respective emissions data.	5.2 Emissions Reduction 9.3 Summary of ESG Performance
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility).	5.2 Emissions Reduction 9.3 Summary of ESG Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e. g. per unit of production volume, per facility).	5.2 Emissions Reduction 9.3 Summary of ESG Performance
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	5.2 Emissions Reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.2 Emissions Reduction



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Description		Disclosure section
Aspect A2: Use of Resources	General Disclosure	
	Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 Energy and Resources Conservation
	<i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	
	KPI A2.1 Direct and/or indirect energy consumption by type (e. g. electricity, gas or oil) in total (kWh in'000s) and intensity (e. g. per unit of production volume, per facility).	5.1 Energy and Resources Conservation 9.3 Summary of ESG Performance
	KPI A2.2 Water consumption in total and intensity (e. g. per unit of production volume, per facility).	5.1 Energy and Resources Conservation 9.3 Summary of ESG Performance
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Energy and Resources Conservation
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.1 Energy and Resources Conservation
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	5.1 Energy and Resources Conservation 9.3 Summary of ESG Performance	
Aspect A3: The Environment and Natural Resources	General Disclosure	
	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5.1 Energy and Resources Conservation
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.1 Energy and Resources Conservation
Aspect A4: Climate Change	Repealed 1 January 2025	
	KPI A4.1 Repealed 1 January 2025	



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Description		Disclosure section
B. Social		
Employment and Labour Practices		
Aspect B1:	General Disclosure	
Employment	Information on:	6.2 Employment 6.4 Employee Care and Communication
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6 Employee Report 9.3 Summary of ESG Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6 Employee Report 9.3 Summary of ESG Performance
Aspect B2:	General Disclosure	
Health and Safety	Information on:	6.1 Health and Safety
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to providing a safe working environment and protecting employees from occupational hazards.	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.1 Health and Safety 9.3 Summary of ESG Performance
KPI B2.2	Lost days due to work injury.	6.1 Health and Safety 9.3 Summary of ESG Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.1 Health and Safety



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Description		Disclosure section
Aspect B3: Development and Training	General Disclosure	
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.3 Development and Training
	<i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	
	KPI B3.1 The percentage of employees trained by gender and employee category (e. g. senior management, middle management).	6.3 Development and Training 9.3 Summary of ESG Performance
KPI B3.2 The average training hours completed per employee by gender and employee category.	6.3 Development and Training 9.3 Summary of ESG Performance	
Aspect B4: Labour Standards	General Disclosure	
	Information on:	6.2 Employment
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
relating to preventing child and forced labour.		
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	6.2 Employment	
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	6.2 Employment	



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Description		Disclosure section
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure	
	Policies on managing environmental and social risks of the supply chain.	4.6 Managing Environmental and Social Risks in the Supply Chain
	KPI B5.1 Number of suppliers by geographical region.	4.5 Supply Chain Management 9.3 Summary of ESG Performance
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.5 Supply Chain Management
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.6 Managing Environmental and Social Risks in the Supply Chain
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.6 Managing Environmental and Social Risks in the Supply Chain	
Aspect B6: Product Responsibility	General Disclosure	
	Information on:	4.4 Quality Management
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters	
	relating to products and services provided and methods of redress.	
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.4 Quality Management 9.3 Summary of ESG Performance
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	4.3 Market and Customers
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	4.2 Technology Innovation	
KPI B6.4 Description of quality assurance process and recall procedures.	4.4 Quality Management	
KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.3 Market and Customers	



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Description		Disclosure section	
Aspect B7: Anti-corruption	General Disclosure		
	Information on:	7.1 Integrity Policy	
	(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.		
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.	7.1 Integrity Policy	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.1 Integrity Policy 7.2 Whistle-Blowing Policy	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7.1 Integrity Policy	
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.	8 Social Welfare Events	
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8 Social Welfare Events
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8 Social Welfare Events 9.3 Summary of ESG Performance



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Description	Disclosure section
Part D: Climate-related Disclosures	
(I) Governance	5.3 Responding to Climate Change
(II) Strategy Climate-related risks and opportunities Strategy and decision-making Climate resilience Financial position, financial performance and cash flows	5.3 Responding to Climate Change 5.3 Responding to Climate Change
(III) Risk Management	5.3 Responding to Climate Change
(IV) Indicators and targets related to greenhouse gas emissions	5.3 Responding to Climate Change 9.3 Summary of ESG Performance

9.3 SUMMARY OF ESG PERFORMANCE

Indicators	Unit	2025	2024
A Environmental			
A1: Emissions			
A1.1 The types of emissions and respective emissions data			
Total NOx emissions	kg	6.79	7.26
Total SOx emissions	kg	18.84	45.23
Total emissions of RSP or PM	kg	6.71	7.03
Emissions Data from Gaseous Fuel Consumption			
NOx	kg	6.71	7.03
SOx	kg	0.03	0.04
RSP or PM	kg	6.71	7.03
Emissions Data from Vehicles			
NOx	kg	0.08	0.23
SOx	kg	18.81	45.19
Workshop air emissions			
Volatile Organic Compound (VOC) emissions	kg	237.5	67.69
Tin and its compounds	kg	0.02	0.05



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Indicators	Unit	2025	2024
A1.3 Total hazardous waste produced and intensity			
Total hazardous waste	tonne	9.00	7.05
Empty Bucket	tonne	0.78	0.65
Waste oil	tonne	0.56	0.86
Sludge	tonne	2.95	1.75
Waste activated carbon	tonne	3.47	3.44
Others	tonne	1.24	0.35
Hazardous waste emissions intensity in terms of sales volume	g/unit	0.10	0.14
Industrial wastewater	tonne	20,673	21,461
Industrial wastewater intensity in terms of sales volume	g/unit	231.94	434.94
A1.4 Total non-hazardous waste produced and intensity			
Total non-hazardous waste	tonne	491.8	352.6
Total non-hazardous waste emissions intensity in terms of sales volume	g/unit	5.5	7.1
Total recyclable waste	tonne	923.4	801.3
Paper Box	tonne	456.5	371.8
Plastics	tonne	407.0	405.5
Plastic foam	tonne	35.8	19.7
Metal	tonne	24.1	4.3
A2: Use of Resources			
A2.1 Total energy consumption and intensity			
Total direct energy consumption	tonne	1.50	3.08
Diesel	tonne	0.00	0.00
Gasoline	tonne	1.50	3.08
Direct energy consumption intensity in terms of sales volume	g/unit	0.02	0.06
Total indirect energy consumption	Kwh ('000)	52,534	41,944
Indirect energy consumption intensity in terms of sales volume	Kwh/unit	0.59	0.85
A2.2 Water consumption and intensity			
Total water consumption	tonne	328,333	258,905
Water consumption intensity in terms of sales volume	g/unit	3,684	5,247
A2.5 Packaging material used for finished products			
Packaging material	tonne	34,381	4,012
Paper Box	piece	942,927	752,972
Plastic foam(EPS)	piece	9,734,358	492,927
Packaging material intensity in terms of sales volume	g/unit	385.7	81.3
A3: The Environment and Natural Resources			
Annual investment for environmental protection	RMB	1,339,974	1,306,171



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Indicators	Unit	2025	2024
B. Social			
B1: Employment			
B1.1 Total workforce			
Total workforce	person	4,009	3,297
Total workforce by gender			
Male	person	2,764	2,182
Female	person	1,245	1,115
Total workforce by employment type			
Full-time	person	4,009	3,297
Part-time	person	0	0
Total workforce by age group			
Aged 18-30	person	2,932	2,322
Aged 31-50	person	1,069	966
Aged 51 or above	person	8	9
Total workforce by geographical region			
Chinese Mainland	person	4,007	3,295
Hong Kong, Macau and Taiwan	person	2	2
Total workforce by position			
Senior Management	person	3	5
Middle Management	person	323	330
General Staff	person	3,683	2,962
B1.2 Employee turnover rate			
Number of employees left	person	195	112
Number of employees left by gender			
Male	person	142	79
Female	person	53	33
Number of employees left by age group			
Aged 18-30	person	153	102
Aged 31-50	person	42	9
Aged 51 or above	person	0	1
Number of employees left by geographical region			
Chinese Mainland	person	195	112
Hong Kong/Macau/Taiwan	person	0	0
Employee turnover rate	%	4.64%	3.29%
Employee turnover rate by gender			
Male	%	4.89%	3.49%
Female	%	4.08%	2.87%
Employee turnover rate by age group			
Aged 18-30	%	4.96%	4.21%
Aged 31-50	%	3.78%	0.92%
Aged 51 or above	%	0.00%	10.00%
Employee turnover rate by geographical region			
Chinese Mainland	%	4.64%	3.29%
Hong Kong/Macau/Taiwan	%	0.00%	0.00%



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Indicators	Unit	2025	2024
B2: Health and Safety			
B2.1 Number and rate of work-related fatalities occurred over the past three years			
Number of work-related fatalities occurred	person	0	0
Rate of work-related fatalities occurred	%	0	0
B2.2 Lost days due to work injury			
Lost days due to work injury	day	149	63
B3: Development and Training			
B3.1 The percentage of employees trained by gender and employee category (e. g. senior management, middle management)			
Total number of employees trained	person	4,009	3,297
Total number of employees trained by gender			
Male	person	2,764	2,182
Female	person	1,245	1,115
Total number of employees trained by employee category			
Senior management	person	3	2
Middle management	person	323	330
General staff	person	3,683	2,962
The percentage of employees trained	%	100%	100%
The percentage of employees trained by gender ^{note}			
Male	%	100%	100%
Female	%	100%	100%
The percentage of employees trained by employee category ^{note}			
Senior management	%	100%	40%
Middle management	%	100%	100%
General staff	%	100%	100%

Note: For more meaningful disclosure, the percentage is calculated as follows: percentage of employees trained in the specified category (e.g. by gender or by employee category) equals to number of employees in the specified category who took part in training divided by number of employees in the specified category.



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Indicators	Unit	2025	2024
B3.2 The average training hours completed per employee by gender and employee category			
Total training hours			
Total training hours for all employees	hour	79,536	80,253
Total training hours by gender			
Total training hours for male employees	hour	55,761	50,052
Total training hours for female employees	hour	23,775	30,201
Total training hours by employee category			
Total training hours for senior management	hour	92	95
Total training hours for middle management	hour	2,757	10,285
Total training hours for general staff	hour	76,687	69,873
Average training hours			
Average training hours for all employees	hour	20	24
Average training hours, by gender			
Average training hours for male employees	hour	20	23
Average training hours for female employees	hour	19	27
Average training hours, by employee category			
Average training hours for senior management	hour	31	47
Average training hours for middle management	hour	9	31
Average training hours for general staff	hour	21	24
B4: Labour Standards			
B4.1 Avoid child and forced labour			
Child labour and forced labour	person	0	0
B5: Supply Chain Management			
B5.1 Number of suppliers by geographical region			
Total number of suppliers	supplier	247	202
Chinese Mainland	supplier	210	171
Hong Kong/Macau/Taiwan	supplier	37	31
Overseas	supplier	0	0
B6: Product Responsibility			
B6.1 Products subject to recalls for safety and health reasons			
Percentage of products sold or shipped subject to recalls for safety and health reasons	%	0	0
B6.2 Number of products and service related complaints			
Number of products and service related complaints received	case	0	0



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Indicators	Unit	2025	2024
B7: Anti-corruption			
B7.1 Number of concluded legal cases regarding corrupt practices			
Number of corruption cases	case	0	0
Number of concluded legal cases regarding corruption brought against the Company or its employees	case	0	0
B7.3 Anti-corruption training			
The signing rate for "Employee Integrity Commitment"	%	100%	100%
Anti-corruption training hours	hour	1,292	918
Number of anti-corruption training session	session	2	3
B8: Community Investment			
B8.2 Resources contributed (e.g. money or time) to the focus areas			
Donations Value	RMB	0	0
Volunteer hours	hour	83.5	66
Volunteers	person	43	44
Part D: Climate-related Disclosures			
D17.1 Greenhouse gas (GHG) emissions and intensity			
Total Greenhouse gas (GHG) emissions	tonne CO ₂ e	319,670	155,772
Scope 1 – Direct GHG emissions			
(including GHG emissions directly generated from operations that are owned or controlled by the Company. (For example: electricity generators, boilers, gas cooking stoves, motor vehicles and ships, refrigeration and air conditioning equipment, etc.))	tonne CO ₂ e	233	428
Scope 2 – Energy indirect GHG emissions			
(including "energy indirect" GHG emissions caused by the Company's internal consumption of electricity, heating, cooling and steam (purchased or acquired))	tonne CO ₂ e	27,564	22,507
Scope 3 – Energy indirect GHG emissions			
(GHG emissions that occur within the company's value chain and fall outside Scope 2, including emissions from upstream suppliers and downstream customers. Such emissions originate from sources not owned or controlled by the Company)	tonne CO ₂ e	291,873	132,837
Scope 1 – Direct GHG emissions intensity in terms of sales volume	g CO ₂ e/unit	2.6	8.7
Scope 2 – Energy indirect GHG emissions intensity in terms of sales volume	g CO ₂ e/unit	309.3	456.1
Scope 3 – Energy indirect GHG emissions intensity in terms of sales volume	g CO ₂ e/unit	3,274.7	2,693.5