



2025 SUSTAINABILITY REPORT

LINGYI iTECH (GUANGDONG) COMPANY

Stock Code: 002600.SZ



About this Report

Overview

LINGYI iTECH (GUANGDONG) COMPANY hereby publishes its *2025 Sustainability Report* (the "Report"). The Report focuses on the Company's governance structure, management policy, key initiatives and performance in relation to environmental, social and governance ("ESG") matters for the year ended December 31, 2025 (the "Reporting Period"), and sets out the material ESG topics identified through the materiality assessment.

Reporting Guidelines

This Report has been prepared in accordance with *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* (hereinafter referred to as the "*SZSE Sustainability Report Guidelines*"), with reference also made to:

- Main Board Listing Rules Appendix C2 *Environmental, Social and Governance Reporting Code* of Hong Kong Exchanges and Clearing Limited;
- The *GRI Standards* issued by the Global Sustainability Standards Board ("GSSB"); and
- The Sustainability Accounting Standards for the Electronic Manufacturing Services & Original Design Manufacturing and Hardware industries issued by the Sustainability Accounting Standards Board ("SASB").

In reporting on relevant topics, the Report also refers to the United Nations Sustainable Development Goals ("SDGs") under the 2030 Agenda for Sustainable Development as a key benchmark.

Reporting Principles

This Report has been prepared in accordance with the principles of materiality, quantification, balance and consistency:

- **Materiality:** The Group identified and analyzed material ESG topics through a materiality assessment. For further details of the materiality assessment process and results, please refer to the section, "Sustainability Governance – Double Materiality Assessment".
- **Quantitative:** The Group disclosed key performance indicators in a quantitative manner. The measurement methods, assumptions, calculation tools, and sources of conversion factors used for relevant indicators have been explained in the respective sections, and comparable data have been provided where applicable.
- **Balance:** This Report aims to present a balanced account of the Company's ESG practices to enable readers to make an objective assessment of our overall performance.
- **Consistency:** The preparation methodology of this

Report is consistent with that adopted in previous years. Where there are adjustments that may affect the comparability of historical information or data, explanations have been provided in the relevant sections.

Scope and Boundaries

Unless otherwise specified, the information contained in this Report covers the period from January 1, 2025 to December 31, 2025 (the "Reporting Period"), while certain data or narrative disclosures may relate to periods outside the Reporting Period.

This Report covers LINGYI iTECH (GUANGDONG) COMPANY and its subsidiaries. Financial data are prepared in accordance with the scope of the consolidated financial statements in the *2025 Annual Report*. The *2024 Sustainability Report* published in the previous year covered LINGYI iTECH (GUANGDONG) COMPANY's subsidiaries in the Chinese mainland. To align with the applicable standards specified in "Reporting Guidelines" and reflect the Company's global development needs, the reporting scope for 2025 has been expanded to include subsidiaries outside the Chinese mainland.

References

For ease of expression and reading, "LINGYI iTECH (GUANGDONG) COMPANY" may also be referred to in this Report as "LINGYI iTECH", the "Company", the "Group", "we", "us" or "our".

Reliability Assurance and Data Sources

All data in this Report are derived from the Company's internal records, interview materials, and relevant documentation. Financial information in this Report is presented in RMB, and financial data are based on the annual financial report. The Board of Directors of the Company warrants that this Report contains no false or misleading statements and assumes responsibility for the truthfulness, accuracy and completeness of its contents.

Confirmation and Approval

This Report was reviewed and approved by the Board of Directors on March 26, 2026.

Publication and Access

This Report is published in both Chinese and English electronic versions. In case of any discrepancy, the Chinese version shall prevail. The electronic version of the Report is available on the Company's official website: <http://www.lingyitech.com> and CNINFO: <https://www.cninfo.com.cn>.

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Message from the Chairwoman



Ms. Zeng Fangqin | Chairwoman of LINGYI iTECH

Dear stakeholders,

Global manufacturing is undergoing rapid change, shaped by both technological transformation and macroeconomic uncertainty. Across the industry, the shift towards decarbonization, digitalization and resilience is gathering pace. At LINGYI iTECH, we remain committed to making sustainability an integral part of how we grow our business. By strengthening top-level design, driving R&D innovation, enhancing organizational effectiveness and deepening value chain management, we strive to build a sustainable core competitive edge.

Optimize the governance system to build a robust and compliant foundation for operations

We have continued to evolve our governance structure by establishing a multidimensional risk prevention, control and compliance management system, thereby safeguarding compliant and robust operations across our global footprint. At 43% female representation, we have taken a step forward in board diversity, driving new momentum in decision-making. We ensure that our business activities are conducted in compliance with the laws and regulations of the jurisdictions in which we operate, as well as with international business standards, while continuing to strengthen transparency and risk management. LINGYI iTECH has received an A rating in the Shenzhen Stock Exchange's information disclosure assessment for three consecutive years. Moving forward, we will continue to place great emphasis on corporate governance and standardized operations, earnestly protect investors' interests, strengthen the development and quality of information disclosure, actively fulfill our social responsibilities, and contribute LINGYI iTECH's strengths to the healthy and stable development of the capital market.

Drive intelligent manufacturing through green R&D and product innovation

We have always regarded technological innovation as the strategic core for maintaining global competitiveness. Building on our high-precision intelligent manufacturing platform for AI hardware, and drawing on our strengths in battery systems, thermal management and fast-charging technologies, we have continued to broaden our product portfolio across multiple growth areas, while expanding into cutting-edge application fields such as Embodied AI, Vision, Foldable, and Computing. We have continued to increase investment in research and development, bring more advanced products to market and strengthen the medium-to long-term drivers of growth, further enhancing our competitive position and sustainability in global markets. In 2025, our R&D expenditure reached RMB 2.373 billion, representing a year-on-year increase of 19.1%. At the same time, drawing on our long-standing expertise in CNC and automation equipment, we continued to integrate AI, robotics and automation technologies into our digital intelligent manufacturing system and industrial production solutions, helping to improve manufacturing efficiency.

Investing in people to strengthen organizational resilience and boost human capital

We firmly believe that talent is the foundation of sustainable growth. High-quality development is not reflected only in products but also in how we value every individual who contributes to our success. We are committed to eliminating bias by providing equal career advancement opportunities and skills training programs, enabling every LINGYI iTECH colleague to grow with the organization and feel respected and supported in the workplace. We also continue to foster a caring and positive working environment, underpinned by competitive remuneration and diversified benefits designed to protect employees' rights and well-being. In 2025, our subsidiary, Dongguan Lingyi Precision Manufacturing Technology Co., Ltd., became the first company in the industry to obtain ISO 30415 *Human Resource Management - Diversity and Inclusion certification*.

Working across the value chain to build supply chain resilience and create social value

As a globally leading precision manufacturing platform, LINGYI iTECH is committed to working with partners across the value chain to advance low-carbon development and deliver on our social responsibility. Guided by our sustainable supply chain philosophy of being green, ethical and mutually beneficial, we have established a full life-cycle supplier management system covering admission, development and exit, applied strict controls over controversial sourcing, and upheld fair treatment of small and medium-sized enterprises to promote a fairer and more resilient value chain. In 2025, we carried out supplier training covering environmental protection, quality and other key areas, and held a supplier conference to promote collaboration and complementary strengths. We believe that only by building an industrial ecosystem based on shared responsibility and shared value can we remain resilient in a complex and fast-changing global market and achieve long-term prosperity together with our partners.

Looking ahead to 2026, we will continue to uphold the core principles of ESG, deepen our commitment to precision manufacturing, and repay the trust of shareholders, customers and the wider public through a more rigorous governance system and even stronger operating results.

About LINGYI iTECH

Company Profile

LINGYI iTECH (GUANGDONG) COMPANY was founded in 2006 and listed on the A-share capital market in 2018 (Stock Code: 002600). As a trusted core supplier of AI terminal hardware, LINGYI iTECH provides customers worldwide with one-stop intelligent manufacturing services and solutions, including precision functional components, structural components, and modules. The Company has maintained a leading position in the global consumer electronics market for many consecutive years in terms of both market share and shipment volume of its precision functional components. It has also set industry benchmarks across quality, manufacturing processes and technology, establishing itself as a trusted "functional component specialist" for global customers, while further expanding into emerging markets such as humanoid and embodied robotics, XR glasses, foldable devices, AI computing servers, and the low-altitude economy. Through the acquisition of Readore in January 2026, the Company has further strengthened its liquid cooling business portfolio and established a full product matrix covering core liquid cooling thermal management components, enabling deeper penetration into the supply chains of the world's leading computing power enterprises. In addition, through its integrated "thermal management + power supply" solution, the Company has become a core hardware service provider in the AI computing server sector.

In recent years, the Company has continued to strengthen its overall capabilities, evolving from a specialist in a single processing technology into one with expertise across multiple processing technologies, and from a product manufacturing expert into a solutions expert. It has become a trusted global manufacturing platform for AI terminal hardware. The Company has been named in the *Fortune China 500* for eight consecutive years, and has also been included multiple times in rankings such as "Top 500 Private Enterprises in China" and "Top 500 Private Manufacturing Enterprises in China".

Looking ahead, the Company will continue to drive growth through innovation and international expansion, while remaining focused on its core business and extending upstream in the value chain. It will step up investment in new growth areas including humanoid and embodied robotics, server thermal management and power solutions, AI glasses, foldable devices, automotive applications and the low-altitude economy. At the same time, the Company will continue to expand its overseas business and improve its profitability in international markets, while responding more effectively to demand in China and further strengthening its competitive position. It also remains committed to building an intelligent manufacturing platform that integrates lean, digital, automated and green development, in order to further strengthen its core competitiveness.

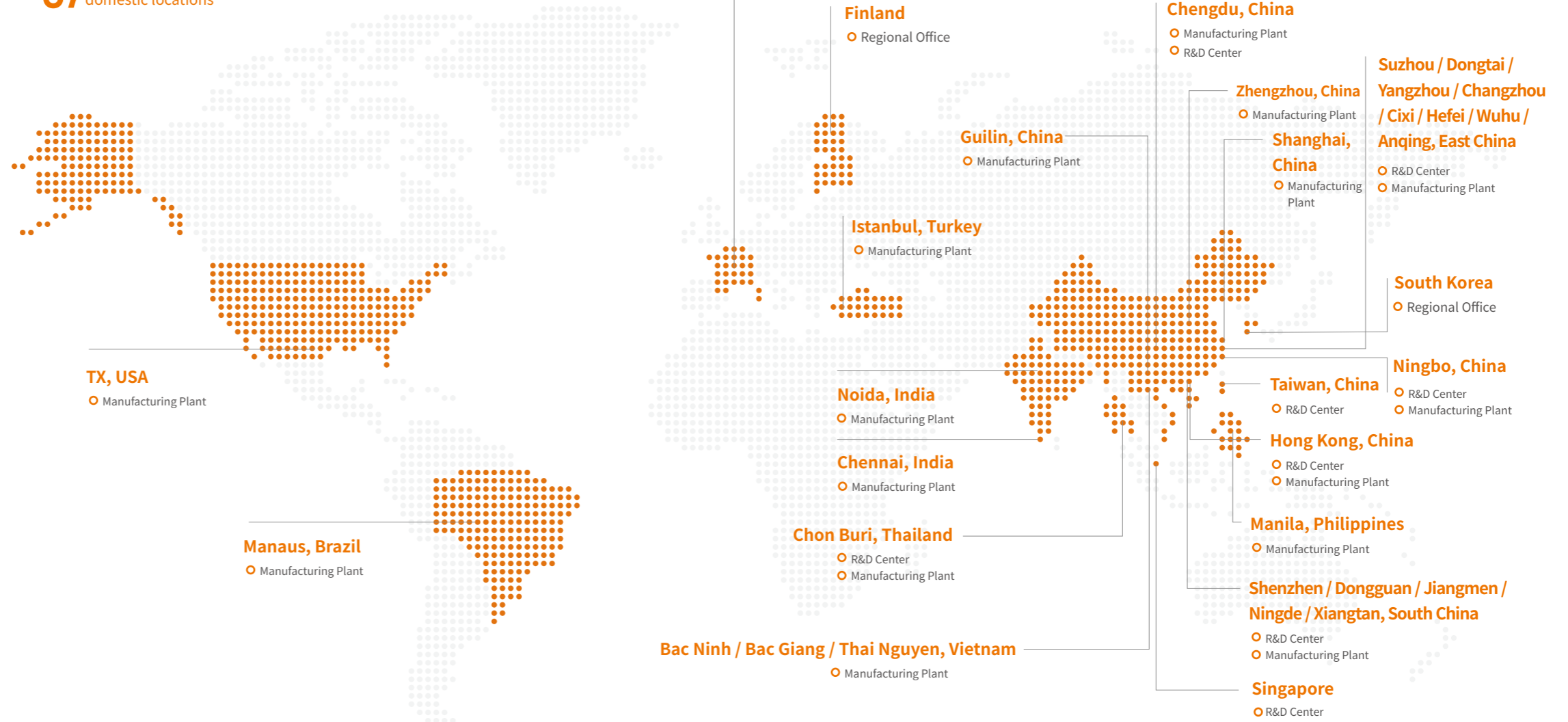
Global Business Footprint

80 manufacturing bases and delivery centers

Presence in

11 overseas countries **13** overseas locations

67 domestic locations



Business Footprint and Highlights

A leader in high-precision intelligent manufacturing platform for AI hardware with extensive global presence

Local execution and global delivery: Dual-engine business model powering success in both domestic and international markets

Key Business Highlights

No. 1 Globally in High-Precision Functional Component Market for Smart Electronics	Full Coverage Intelligent Manufacturing For Smart Electronics Covering Die-cutting, Stamping, CNC Machining, MIM, and Die Casting Processes	Highest Avg. Gross Margin R&D-to-Revenue Ratio Revenue Growth ROE	100% Coverage of Major Global Mid- to High-End Smartphone Brands and Major Leading Foldable Device Manufacturers
Robots Winner of 2 Golds & 1 Bronze -World Robot Games 2025	Vision 9 of 10 AI Glasses & XR Devices Worldwide from Our Customers	Foldable 9 in 10 Foldable Devices Worldwide from Our Customers	Computing Feather-Copper Bionic Nano Cooling Powers High-End GPUs of Leading Computing Companies

Core Competencies

Forward-looking

Translating frontier technological information and demand into commercial opportunities

Scale

From a single processing technology to multiple processing technologies; from a product expert to a solutions expert

Depth

Advancing into a "deep technology" stage characterised by high efficiency and high precision through lean production management and independent R&D of materials, equipment, and processes

Low-carbon

Actively promoting energy conservation and emission reduction, and integrating the "3R" principles into every aspect of intelligent manufacturing

Internationalisation

Promoting high-quality development through a global perspective and cultural integration

LINGYI iTECH places innovation at the heart of its development, focusing on forward-looking technologies, international expansion and low-carbon development. It is committed to delivering efficient and sustainable solutions for its customers, while accelerating the development of new quality productive forces.

Our Products and Solutions



History and Milestones

2006-2017 Scale Development of Manufacturing Processes

2006

- Lingsheng Electronic was established, entering the die-cutting industry as a self-developed equipment manufacturer and materials application expert

2009

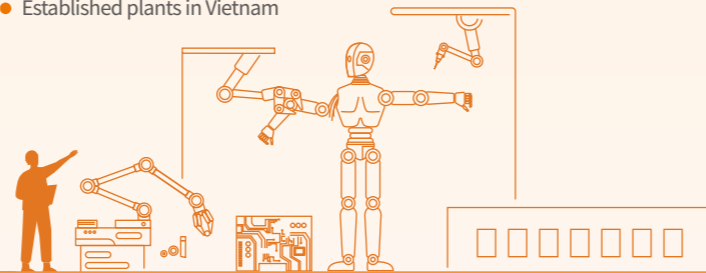
- Entered the supply chains of major North American customers
- Developed capabilities in mold design and manufacturing and entered the stamping industry
- Achieved an industry-first breakthrough in cross-process integration of die-cutting and stamping, as well as secondary assembly of multi-material components

2016

- Expanded multiple product lines within the same customer base
- Secondary assembly and automation technologies became more mature.
- Achieved rapid capacity expansion across multiple plants and locations
- Entered the supply chains of leading domestic smartphone brands

2018

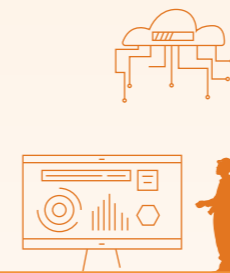
- Listed on the A-share capital market through the reverse acquisition of JPMF
- Expanded into magnetic materials and injection molding, strengthened vertical integration within the industry, entered the supply chains of leading domestic customers, and further broadened the product portfolio
- Established plants in Vietnam



2018-2023 Listing and Acquisitions

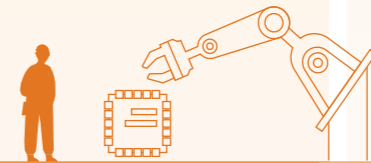
2020

- Entered the photovoltaic and energy storage sector
- Completed the private placing of our A Shares, raising approximately RMB3.0 billion



2022

- Established a production base in Guilin, expanding capacity for structural components, chargers, and modules
- Established a precision metal structural component R&D and manufacturing base in Yangzhou, covering products such as NEVs, smart wearables, and communications
- Established a plant in the United States



2024-2025 From Productization to Solution-Based Offerings

2024

- Issued convertible bonds, raising a total of RMB 2.137 billion
- Rapidly expanded into new business areas such as robots, servers and the low-altitude economy

From a single-process model to multiprocess capabilities, with an expanding product portfolio

2012

- Established Lingyi Technology
- Ranked first globally in the die-cutting business
- Entered the CNC industry, officially becoming a major supplier of metal products

2017

- Acquired Santak Metal Manufacturing (Wuxi) Co., Ltd., further expanding the lathe business
- Acquired Dongguan Xinyan, a tool manufacturer, enhancing CNC processing capabilities and advancing into a stage of sophisticated technology defined by high efficiency and high precision
- Initially developed capabilities in mergers, acquisitions, and restructuring, achieving scaled development

2019

- Initiated international expansion by acquiring Salcomp, starting the charger business and achieving end-to-end capabilities from product design and quality assurance to manufacturing and specialty assembly
- Strengthened our global business presence in Brazil, Finland, South Korea and other locations
- Acquired LOM India, acquired certain assets of Nokia India Pvt Ltd, and leased land to increase our presence in the Indian market
- Developed capabilities in global mergers, acquisitions, and restructuring
- Initiated cooperation with Hanson in the robotics business

From diversified manufacturing processes to a product manufacturing expert

2021

- Acquired Flextronics Industrial (Zhuhai), expanding into modules and assembly
- Acquired Zhejiang Jintai to enter the new energy vehicle (NEV) industry
- Established a new factory and R&D center in Suzhou

2023

- Signed a memorandum with Hanson Robotics Limited to collaborate on the design optimization, upgrades and mass-production testing of humanoid robots
- Signed a nomination agreement with the subsidiary of a German automaker for power batteries to supply battery covers, die-cutting components and related injection molding and stamping parts

From a product manufacturing expert to a solutions expert

2025

- Established the global headquarters in Shenzhen
- Acquired Zhejiang Xianglong and Jiangsu KD STN, making the Company a tier-one automotive supplier
- Made a strategic investment in BOCO, accelerating the industrialisation of AI energy systems
- Entered into an acquisition agreement with Readore, further enriching the server segment product portfolio and gaining access to the core supply chain of global computing leaders
- Completed hardware and complete-unit assembly services for over 5,000 humanoid (embodied) robots, and established partnerships with a number of leading companies in China and overseas

Corporate Culture

Mission Lead the worldwide intelligent manufacturing, and strive to achieve goals

Vision Become a world-leading intelligent precision manufacturing company by modern management philosophy and unremitting effort to pursue excellence

Corporate Spirit Pursue excellence, fulfil every mission

Core Values

- Integrity and Pragmatism:** Speak the Truth from Facts and Keep the Promises
- Customer First:** Stay Disciplined, Treat Others Sincerely
- Respect for Self and Others:** Be strict with oneself and treat people with dignity and fairness
- Accountability:** Take ownership to conquer challenge
- Long-termism:** Sustainable efforts for long-term success
- Value Symbiosis:** Foster mutual benefit and success through collaboration



Honors and Awards

Fortune China 500 in 2025 (NO. 334) (for eight consecutive years)
Fortune China

List of China's Top 500 Private Enterprises in 2025
All-China Federation of Industry and Commerce

2025 Guangdong Top 500 Enterprises
Guangdong Provincial Enterprise Confederation and Guangdong Provincial Association of Entrepreneurs

Potential Case List, 2025 Corporate ESG Case Collection Campaign
Center for Environmental Education and Communications of Ministry of Ecology and Environment



Best Managed Companies
Deloitte China



Fortune China ESG Impact List 2025
Fortune China



2025 Best Practice Case in Sustainable Development for Listed Companies
China Association for Public Companies



2025 Best Practice Case in Board Governance for Listed Companies
China Association for Public Companies



2025 Best Practice Case in Internal Control for Listed Companies
China Association for Public Companies



2025 Best Practice Case in Board Office Operations for Listed Companies (for two consecutive years)
China Association for Public Companies













"Most Investment-Worthy Listed Company", Golden Courser Award Ceremony 2025
Securities Daily







2025 China Top 100 ESG Enterprises
Sina Finance



Key ESG Performance Highlights


 <p>"Best Environmental Responsibility Award", China ESG Golden Awards 2025 Sina Finance</p>	 <p>"Environmentally Friendly Pioneer Enterprise", CLS "Zhiyuan" Award of 2025 CLS</p>
 <p>"Sustainable Development Practice Achievement", 4th Xinhua Credit Golden Orchid Cup China Economic Information Service</p>	 <p>The 16th Tianma Award for Investor Relations Management of Chinese Listed Companies Securities Times</p>
 <p>2025 GoldenBee CSR China Honor Roll (Greater Bay Area) GoldenBee Think Tank, Guangzhou State-owned Assets Management Research Institute</p>	 <p>"Outstanding Strategic Partner" Award at BOE SPC 2025 (for two consecutive years) BOE</p>
 <p>2025 Outstanding Supplier CATL</p>	 <p>"Outstanding Organization Award", Supply Chain Category, 3rd China Collegiate Computing Contest Mobile Application Innovation Contest Computer Education Research Association of Chinese Universities</p>
 <p>Third Prize, Supply Chain Category, 3rd China Collegiate Computing Contest Mobile Application Innovation Contest – "Intelligent Packaging Simulation" Case Computer Education Research Association of Chinese Universities</p>	 <p>Third Prize, Supply Chain Category, 3rd China Collegiate Computing Contest Mobile Application Innovation Contest – "AI-Enabled Standardized Operations" Case Computer Education Research Association of Chinese Universities</p>

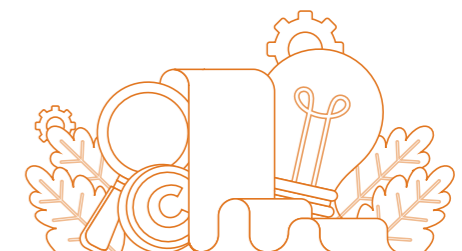
Governance

 <p>Received the highest rating, A, in the Shenzhen Stock Exchange's information disclosure assessment for 3 consecutive years</p>	 <p>Women accounted for 43% of the Board members, increasing by 14pp year-on-year</p>
 <p>Customs compliance management delivered strong results, with 0 penalties arising from customs inspections and audits The number of AEO Advanced Certified Enterprises increased to 3</p>	 <p>Anti-corruption training covered 100% of employees across all levels</p>


Social


<p>Attach great importance to R&D and innovation</p>	
 <p>R&D investment totaled RMB 2,373,669,400 up 19.1% year-on-year</p>	 <p>The number of R&D personnel rose to 7,935 up 25% year-on-year</p>

 The number of new patent applications filed reached **401**




Continue to promote lean and digital production


 More than **8,000** process improvement projects were implemented


 Cost savings were equivalent to **2.6%** of output value

Continue to strengthen employee capability enhancement


 Total investment in employee training reached **RMB 93,446,000**


 Total training hours reached **4,799,805.55**

Continue to enhance employee well-being


 In addition to statutory entitlements, employees were provided with an extra **2,135,336** hours of paid annual leave


 A total of **1,683** employees in need received support


 and **1,204,558** hours of fully paid sick leave


 Cumulative employee support investment reached **RMB 9,167,000**

Build a fair and inclusive working environment


 Dongguan Lingyi Precision Manufacturing Technology Co., Ltd., a subsidiary of the Company, became **the first company in the AI hardware intelligent manufacturing sector to obtain certification to ISO 30415:2021 Human Resource Management - Diversity and Inclusion**


Actively fulfill social responsibility


 By the end of 2025, the Company had cumulatively supported **1,739** people with disabilities in securing and maintaining stable employment

Environmental


Committed to making a positive contribution to green and low-carbon social development



 Environmental protection investment reached **RMB 112,201,900** up 46% year-on-year


 Revenue from renewable energy-related and energy efficiency-related products reached **RMB 3,966 million** up 30.97% year-on-year

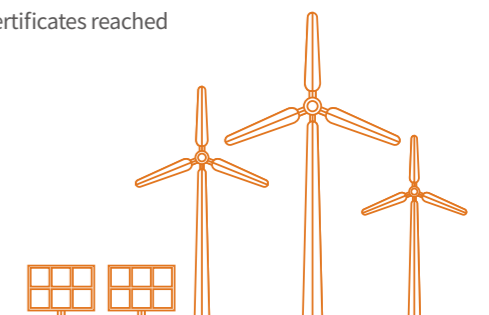

 A number of environmental protection initiatives were carried out, including the Energy Efficiency Program, Zero Waste Program, Clean Water Program and Clean Air Program. Cumulative electricity savings from the Energy Efficiency Program (EEP) reached **44,034,586 kWh**, equivalent to a reduction of **24,242.75 tonnes** of carbon emissions (including carbon reductions associated with heat savings)

Continue to promote the use of renewable energy


 Solar power generation reached **53,353,798.18 kWh**, up approximately 15% year-on-year


 Wind power generation reached **42,484,196.02 kWh**, approximately doubled year-on-year


 Purchases of green electricity certificates/renewable energy certificates reached **703,062,485.69 kWh**, up 12% year-on-year

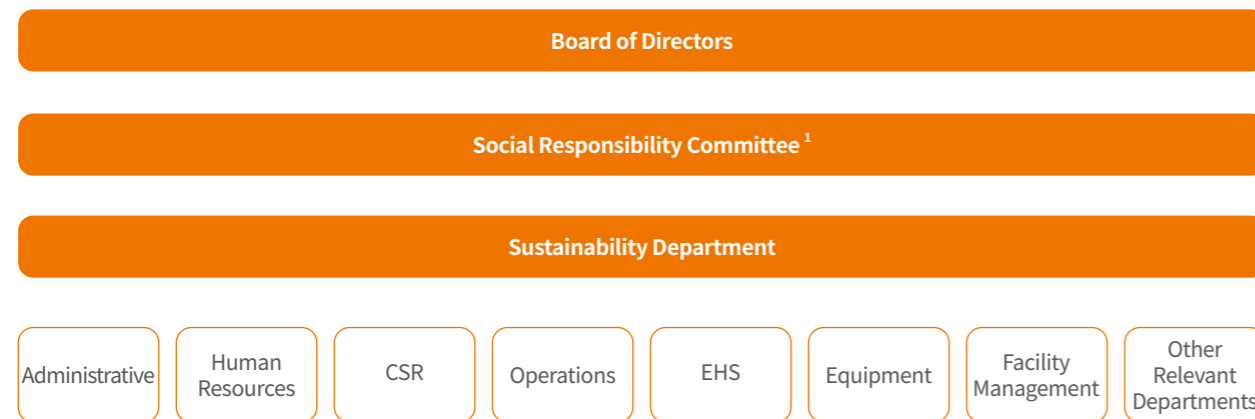


Sustainability Governance

ESG and Risk Management

LINGYI ITECH is committed to sustainable growth and continues to enhance its ESG governance framework. The Company's ESG governance structure is composed of the Board of Directors (the "Board"), the Social Responsibility Committee, and the Sustainability Department. The Board of Directors has ultimate oversight of ESG and climate-related matters. The Board reviews and approves the Group's ESG- and climate-related risks and opportunities, and assumes overall responsibility for ESG management and related disclosures. Board members Ms. Zeng Fangqin, Mr. Jia Shuangyi and Ms. Wei Zhenghui are responsible for overseeing the Company's ESG matters. The Social Responsibility Committee comprises senior executives from departments including Operations, Human Resources, Environment, Health and Safety ("EHS"), Corporate Social Responsibility ("CSR"), and Administrative. Its role is to integrate sustainability into the highest level of corporate management. The Sustainability Department coordinates ESG efforts across business functions, oversees material ESG topics and drives the implementation of the Company's ESG initiatives.

ESG Governance Structure



LINGYI ITECH ESG Governance Structure

1. The Social Responsibility Committee is composed of heads from the following departments and maintains close collaboration with other departments on specific initiatives.

Decision-making Level

The Board of Directors is ultimately accountable for the Company's sustainable development. It is responsible for establishing the sustainability strategy and ensuring that the Company's long-term development strategy is aligned with broader global development principles. It oversees the implementation of the sustainable development strategy, reviews key sustainability metrics and targets, and assesses progress towards the achievement of the Company's sustainability goals. The Board also receives regular updates on the implementation of sustainability initiatives, provides guidance to ensure alignment between relevant work and the Company's overall sustainable development strategy, and approves the disclosure of sustainability reports and related matters.

Management Level	The Social Responsibility Committee is an executive-level committee, composed of heads from departments including Operations, Human Resources, EHS, CSR, and Administrative. Its main responsibilities include identifying and assessing potential ESG risks, as well as opportunities to enhance sustainability performance; integrating the Company's sustainability strategy and ESG principles into all aspects of business operations, interpreting applicable ESG standards and formulating internal ESG policies; overseeing the implementation of labor and human rights, environmental management, occupational health and safety, and sustainable development management systems; promoting sustainable development concepts among the management and employees, and regularly conducting social responsibility training for subsidiaries and various departments.
Sustainability Department	The department is primarily responsible for coordinating ESG-related work across business segments, monitoring key ESG performance indicators, and promoting the implementation of ESG plans; preparing the Company's annual sustainability report and other disclosure documents; communicating the Company's sustainability progress with investment institutions, rating agencies, and other third parties; and assisting in the formulation and implementation of relevant policies to ensure the effective execution of the sustainable development strategy.

The Company has established a dedicated Social Responsibility Audit Team to conduct social responsibility audits of subsidiaries across the Group, covering risk management and control in areas including labor and human rights, occupational health and safety, the environment, business ethics and management systems, thereby enhancing the sustainability performance of subsidiaries in areas such as social responsibility and environmental protection.

Internal Social Responsibility Audit	The internal audit team conducts audits of subsidiaries based on regulatory and customer requirements.
Targeted Inspections	Targeted audits are carried out for selected higher-risk segments.
Training and Empowerment	Through training, the Company helps employees across subsidiaries and departments identify operational risks in their day-to-day work, while continuously providing recommendations and technical support to drive sustainable improvement.

The Company organizes two Group-wide social responsibility training sessions annually and, in response to regular operational needs, develops multiple thematic training courses focused on compliance requirements, risk identification techniques, and role-based compliance practices. The Company has also established a social responsibility incentive and penalty system. In cases where social responsibility violations are identified during risk control, the bonus allocation of the responsible individuals and their supervising leaders (including senior management) will be correspondingly reduced.

In 2025, the Company conducted 19 internal social responsibility audits, 508 targeted inspections, and 168 social responsibility training sessions for frontline management and subsidiaries. The pass rate for customer social responsibility audits was 100%.

Board Statement

The Board of Directors assumes the overall responsibility for overseeing the Company's ESG matters. This includes reviewing the strategic direction of the Company's ESG agenda, the prioritization of material topics, target-setting and implementation progress, so as to ensure that ESG-related risks and opportunities are effectively identified, assessed and incorporated into the Company's overall strategic planning. Board members Ms. Zeng Fangqin, Mr. Jia Shuangyi, and Ms. Wei Zhenghui are responsible for overseeing the Company's ESG matters.

During the Reporting Period, the Board of Directors evaluated the progress of the Company's annual ESG initiatives, reviewed and approved the annual sustainability report. The Board of Directors has also participated in the annual ESG materiality assessment, and reviewed and confirmed the results of the annual materiality assessment.

ESG Management Strategy

LINGYI ITECH has fully integrated ESG-related topics into corporate management, aligning with capital market expectations and regulatory requirements. We have identified key ESG topics that are significant to our business, such as responding to climate change, opportunities in clean tech, labor management, and supply chain management, and have formulated corresponding management processes to mitigate the negative impacts of these ESG topics and regularly communicate with stakeholders on these topics.

ESG Risk Identification, Assessment and Response

Based on its production and operational practices and corporate management realities, LINGYI ITECH has established an appropriate and effective ESG risk management mechanism to systematically identify, assess, and respond to ESG risks, ensuring that such risks are effectively controlled in business operations.

Risk Category	Risk	Response
Environmental Risk	Climate Change Risk	From the perspectives of physical and transition risks, we identify the potential impacts of climate change on our business segments and financial performance across different time horizons, including short-term, medium-term, and long-term, and formulate corresponding management measures.
	Environmental Emission Risk	We improve our operational practices, establish emergency response mechanisms for incidents, and standardize various environmental emissions to prevent environmental compliance risks.
Social Risk	Product Quality Management Risk	Through independent business lines and a stringent quality supervision system, we implement quality management across the entire product lifecycle, including product development, raw material procurement, production, inspection, and distribution, to prevent product quality risks.
	Supply Chain Risk	We take the initiative to identify possible risks in all aspects of our own supply chain management, and carry out on-site audits, monthly reviews, annual appraisals and other risk auditing measures for suppliers.
	Intellectual Property Risk	We clarify the intellectual property management organization and formulate the Intellectual Property Management Regulations to regulate the processes of application, maintenance, transfer, authorized use and protection of rights in respect of patents, trademarks and copyrights.
	Labor Relations Risk	We improve the labor management system, maintain good communication with employees through multiple channels, and handle employee feedback efficiently.
	Employee Health and Safety Risk	Occupational health, safety, and fire protection are incorporated into the Group's EHS audit scope. We strictly control production safety and occupational health to provide employees with a safe working environment and protect them from occupational injuries.
Governance Risk	Technology Innovation Risk	Through process improvements and mold development, we reduce raw material consumption and costs while enhancing product quality and material utilization efficiency.
	Business Ethics Risk	The Company has established the Audit Department directly led by the Audit Committee of the Board of Directors, implementing management of business conduct and ethics, providing integrity training to employees, and conducting internal audits on anti-corruption and other business ethics matters.

Stakeholder Engagement

Adhering to the values of "Integrity and Pragmatism, Customer First, Respect for Self and Others, Accountability, Long-termism, and Value Symbiosis", we are committed to fostering integrity and trust in our relationships with customers, employees and partners, and continually improve our multi-faceted communication channels with stakeholders, including customers, employees, communities and partners, to gain their trust and support and refine our approach to ESG management.

Stakeholder Engagement

Key Stakeholders	Expectations and Concerns	Modes of Communication and Response
Shareholders/ Investors	<ul style="list-style-type: none"> Continued growth in operating performance; Robust performance in the capital market; Increasing enterprise value; Open and transparent corporate information; Sustainable development model 	<ul style="list-style-type: none"> Convening a Shareholders' Meeting; Publishing Company announcements and periodic reports; Holding investor conferences, performance presentations and site visits; Timely disclosure of material business information and ad hoc announcements, and regular release of financial data; Company's website and stock exchange platforms
Employees	<ul style="list-style-type: none"> Employment and rights protection; Employee compensation and well-being; Career development and skill training; Employee health and safety 	<ul style="list-style-type: none"> Employee sports and cultural activities; Establishment of a three-dimensional training system; Establishment of a smooth promotion system; Diversified benefits for employees; Sound health and safety system
Customers	<ul style="list-style-type: none"> High-quality products; R&D and innovation capabilities; Information security and data protection 	<ul style="list-style-type: none"> Establishment of customer enquiry and complaint hotline; Customer satisfaction survey and complaint return visit; Customer needs research and project reporting
Government and Regulatory Authorities	<ul style="list-style-type: none"> Complying with the law and operating in a compliant manner; Working with supervisory bodies and providing timely information reports; Paying taxes in accordance with the law and promoting economic development 	<ul style="list-style-type: none"> Complying with laws and regulations Cooperating with regulatory inspections Regular and temporary information disclosure Strengthening the supervision of clean and honest employment
Environment	<ul style="list-style-type: none"> Mitigating the greenhouse effect; Reducing use of resources; Mitigating the environmental impacts of operations 	<ul style="list-style-type: none"> Establishment of an environmental management system; Carrying out environmental education; Carrying out treatment of waste, wastewater and emissions; Conducting resource conservation activities; Conducting GHG management; Energy saving and consumption reduction to promote green production
Partners	<ul style="list-style-type: none"> Mutually beneficial partnerships and high-quality development of the industry 	<ul style="list-style-type: none"> Participating in or organizing industry forums and networking events; Conducting business cooperation negotiations
Suppliers	<ul style="list-style-type: none"> Growing with the business; Fair and transparent procurement; Ethical procurement 	<ul style="list-style-type: none"> Publication of tender notices, public tender process and results; Supplier management; Transparent procurement; Creating green procurement chain
Community	<ul style="list-style-type: none"> Focus on and support community development 	<ul style="list-style-type: none"> Charitable giving; Participation in voluntary public service
Media	<ul style="list-style-type: none"> Attention to the Company's ESG performance and dissemination of sustainability information, as well as public opinion supervision 	<ul style="list-style-type: none"> Proactively communicating relevant progress through press releases, interviews and ESG feature reports; Regularly publishing and disclosing ESG reports; Establishing media liaison mechanisms to respond to enquiries in a timely manner

Double Materiality Assessment

With reference to the *SZSE Sustainability Report Guidelines* and its supporting guidance, the Company conducts its double materiality assessment of sustainability topics on an annual basis, considering both impact materiality and financial materiality. In identifying the materiality of a sustainability topic, we review not only the actual and potential impacts of the Company's operations and value chain activities on the environment and society, but also the risks and opportunities that macro trends may present to the Company's business strategy, financial position and operations over the short, medium and long term.

The detailed steps of this double materiality assessment are as follows:

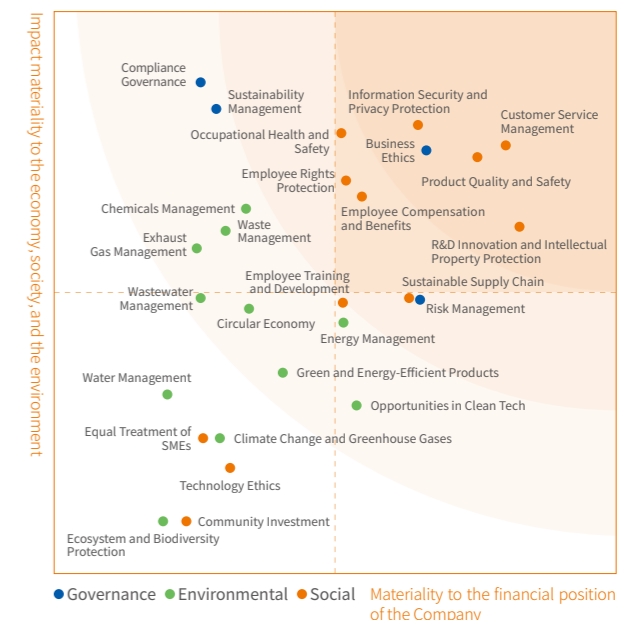
Step	Analytical Method
Step 1: Analysis of the industry environment and sustainability trends	<ul style="list-style-type: none"> Based on macro environmental analysis of global trends and China's industrial development trends Based on industry analysis Based on analysis of the Company's business model Identification of the Company's stakeholders and the impacts, risks and opportunities facing the Company
Step 2: Preliminary selection of topic	Establishment of a sustainability-related topics inventory with reference to the requirements of the <i>SZSE Sustainability Report Guidelines</i> and industry-relevant topics
Step 3: Assessment of topic materiality	<ul style="list-style-type: none"> Impact materiality assessment: Reviewing the potential or actual positive and negative impacts of each topic on the external environment, society and the economy, and conducting stakeholder research and analysis by means of questionnaires. Financial materiality assessment: Through analysis of impacts, dependencies and other factors, combined with questionnaire surveys across the Company's departments regarding the likelihood of occurrence and potential degree of financial impact of each topic, identifying and assessing the risks and opportunities associated with relevant topics, and determining those that are financially material.
Step 4: Determination of material topics	Finalization of the list of double materiality topics and ensuring that the relevant topics are disclosed in the report in a transparent, balanced and complete manner.

Double Materiality Matrix

Based on the collected valid questionnaires, the Company conducted analysis across two dimensions—impact materiality and financial materiality—to develop a materiality matrix.

Topics of Double Materiality	Topics of Impact Materiality	Topics of Financial Materiality
Business Ethics Product Quality and Safety Customer Service Management R&D Innovation and Intellectual Property Protection Information Security and Privacy Protection Employee Rights Protection Occupational Health and Safety Employee Compensation and Benefits	Compliance Governance Business Ethics Sustainability Management Exhaust Gas Management Waste Management Chemicals Management Product Quality and Safety Customer Service Management R&D Innovation and Intellectual Property Protection Information Security and Privacy Protection Employee Rights Protection Occupational Health and Safety Employee Compensation and Benefits	Risk Management Business Ethics Energy Management Opportunities in Clean Tech Product Quality and Safety Customer Service Management R&D Innovation and Intellectual Property Protection Information Security and Privacy Protection Sustainable Supply Chain Employee Rights Protection Occupational Health and Safety Employee Compensation and Benefits Employee Training and Development

LINGYI TECH Double Materiality Matrix 2025



Value Chain Mapping of Topics

Value Chain Mapping of Topics

Topic Category	Material Topics	Relevant Section	Supply Chain		Production/ Operations	Products	Social Engagement	Time Horizon	
Governance	Compliance Governance	Compliance Governance			✓			Short-term/medium-term	
	Business Ethics	Business Ethics	✓		✓			Short-term/medium-term	
	Risk Management	Risk Management	✓		✓			Short-term/medium-term/long-term	
	Sustainability Management	Sustainability Governance			✓			Medium-term/long-term	
Environmental	Climate Change and Greenhouse Gases	Responding to Climate Change	✓		✓		✓	Medium-term/long-term	
	Energy Management	Efficient Resource Utilization	✓		✓			Short-term/medium-term/long-term	
	Water Management	Efficient Resource Utilization			✓			Short-term/medium-term	
	Waste Management	Pollution Prevention and Circular Economy			✓			Short-term/medium-term	
	Exhaust Gas Management	Pollution Prevention and Circular Economy			✓			Short-term/medium-term	
	Wastewater Management	Pollution Prevention and Circular Economy			✓			Short-term/medium-term	
	Opportunities in Clean Tech	Opportunities in Clean Tech			✓	✓		Medium-term/long-term	
	Chemicals Management	Pollution Prevention and Circular Economy	✓		✓			Short-term/medium-term	
	Green and Energy-Efficient Products	Opportunities in Clean Tech			✓	✓		Short-term/medium-term	
	Circular Economy	Pollution Prevention and Circular Economy			✓			Medium-term/long-term	
	Ecosystem and Biodiversity	Ecosystem and Biodiversity Protection			✓			Short-term/medium-term	
	Social	Product Quality and Safety	Product and Customer Responsibility	✓		✓	✓		Short-term/medium-term/long-term
		Customer Service Management	Product and Customer Responsibility			✓	✓		Short-term/medium-term/long-term
R&D Innovation and Intellectual Property Protection		Innovation-driven Development			✓	✓		Medium-term/long-term	
Information Security and Privacy Protection		Information Security and Privacy Protection			✓	✓		Short-term/medium-term	
Sustainable Supply Chain		Sustainable Supply Chain and Controversial Procurement	✓		✓			Medium-term/long-term	
Employee Rights Protection		Employee Rights Protection			✓			Short-term/medium-term/long-term	
Occupational Health and Safety		Occupational Health and Safety			✓			Short-term/medium-term/long-term	
Equal Treatment of SMEs		Equal Treatment of SMEs	✓					Short-term/medium-term	
Employee Compensation and Benefits		Employee Compensation and Benefits			✓			Short-term/medium-term/long-term	
Employee Training and Development		Employee Training and Development			✓			Short-term/medium-term/long-term	
Community Investment	Community Contribution			✓		✓	Medium-term/long-term		
Technology Ethics	Innovation-driven Development			✓		✓	Long term		

Corporate Governance and Responsible Business

Integrity and compliance form the cornerstone of the Company's sustainable operations. Building upon an improved corporate governance structure, LINGYI iTECH has established a comprehensive institutional system covering risk management, business ethics, tax compliance, as well as information security and privacy protection. By strengthening oversight mechanisms and accountability, and embedding risk and compliance requirements into business processes, the Company continues to enhance the systematicity and effectiveness of its governance, thereby delivering sustainable value growth for both the enterprise and its stakeholders.



Related Topics

- Compliance Governance
- Risk Management
- Business Ethics
- Information Security and Privacy Protection

SDG Alignment



Corporate Governance

LINGYI iTECH continues to strengthen its compliance governance foundation by advancing Board diversity, improving corporate governance structures, enhancing the transparency of information disclosure, and actively building efficient and open communication mechanisms with investors and other stakeholders. On this basis, the Company places high importance on investor protection, further standardises the management of related-party transactions, effectively identifies and prevents conflicts of interest, and promotes steady and sustainable corporate development through a diversified, robust, and responsible governance system.

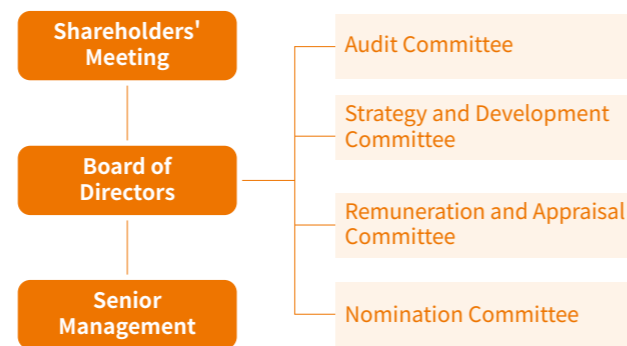
Governance

The Company strictly complies with laws, regulations, and regulatory provisions, including the *People's Republic of China Company Law*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*. It continues to refine its corporate governance structure and has established a multi-tiered governance system comprising the Shareholders' Meeting, the Board of Directors and its committees, and the management team. In parallel, the Company continuously optimizes and dynamically updates its internal control system, further reinforcing the foundations of corporate governance.

Board Construction

The Company's Shareholders' Meeting and Board of Directors have clearly defined responsibilities, perform their respective duties, and exercise mutual checks and balances. The Board of Directors has established four committees—the Audit Committee, the Strategy and Development Committee, the Remuneration and Appraisal Committee, and the Nomination Committee—to review and oversee major corporate matters.

On June 18, 2025, the Company revised its *Articles of Association*, *Rules of Procedure for the Board of Directors*, and *Remuneration Management System for Directors and Senior Management*, clarifying that the Audit Committee of the Board shall exercise the functions of the Supervisory Board, and adding one employee representative director.



LINGYI iTECH Governance Structure

Election and Composition of the Board of Directors

The Company elects Board members in accordance with the *Articles of Association*. Non-employee representative directors are elected or replaced by the Shareholders' Meeting and may be removed before the expiry of their term by the same. Directors serving as employee representatives are elected through the employee representative congress or other democratic procedures and are not required to be submitted to the Shareholders' Meeting for approval. Directors serve a term of three years and may be re-elected upon the expiry of their term.

As of the end of the Reporting Period, the Board of Directors comprised seven directors, including three female directors, three independent directors, and one employee representative director. Independent directors provide independent and impartial advice to support Board decision-making. All current directors possess strong professional expertise and solid educational backgrounds, with two directors holding doctoral degrees.

List of Board Members

Name	Position	Gender	Education Level	Industry and Professional Background
Zeng Fangqin	Chairwoman of the Board, Executive Director and General Manager	Female	Master's	Electronic Manufacturing
Jia Shuangyi	Vice Chairperson, Executive Director and Chief Human Resources Officer	Male	Bachelor's	Human Resources
Huang Jinrong	Executive Director and Employee Representative Director	Female	Bachelor's	Financial and Risk Management
Wei Zhenghui	Non-Executive Director	Female	Bachelor's	Risk Management
Lau Kin Shing Charles	Independent Non-Executive Director	Male	PhD	Financial and Risk Management
Cai Yuanqing	Independent Non-Executive Director	Male	PhD	Legal and Risk Management
Ruan Chao	Independent Non-Executive Director	Male	Master's	Risk Management

Board Committees

Each board committee of the Company performs its duties in accordance with the *Articles of Association* and the *Working Rules for Board Committees*, exercising supervisory and review functions over corporate governance matters. Members of each committee are elected by the Board of Directors from among its members and report regularly to the Board on their performance of duties.

Committee	Members	Responsibilities
Audit Committee	<ul style="list-style-type: none"> Lau Kin Shing Charles (Chairperson) Cai Yuanqing Ruan Chao 	<ul style="list-style-type: none"> Independent non-executive directors form the majority, and the convener is an independent non-executive director, with at least one independent director possessing professional accounting expertise. Mainly responsible for communication, supervision, and verification related to the Company's internal and external audits. Reviews the Company's financial reports and provides opinions thereon. Supervises and evaluates the Company's internal and external audit work and internal controls. Exercises supervisory powers as stipulated under the People's Republic of China Company Law.
Remuneration and Appraisal Committee	<ul style="list-style-type: none"> Ruan Chao (Chairperson) Lau Kin Shing Charles Jia Shuangyi 	<ul style="list-style-type: none"> Formulates assessment standards for directors and senior management of the Company and implements corresponding assessment measures. Formulates and reviews remuneration policies and plans for directors and senior management of the Company.
Nomination Committee	<ul style="list-style-type: none"> Cai Yuanqing (Chairperson) Ruan Chao Huang Jinrong 	<ul style="list-style-type: none"> Formulates selection criteria and procedures for directors and senior management of the Company. Selects and reviews the qualifications of candidates for directors (including independent directors) and senior management. Reviews at least annually the structure, size, and composition of the Board; assists the Board in developing a director skills matrix; and makes recommendations on proposed changes to the Board of Directors.
Strategy and Development Committee	<ul style="list-style-type: none"> Zeng Fangqin (Chairwoman) Jia Shuangyi Wei Zhenghui 	<ul style="list-style-type: none"> Responsible for studying and making recommendations on the Company's long-term strategic development plans. Responsible for studying and making recommendations on major investment and financing plans. Responsible for studying and making recommendations on major capital operations and asset management projects. Responsible for overseeing ESG-related strategies, risk management, and progress against related metrics and targets.

Board Diversity

The Company regards Board diversity as a key factor in supporting the achievement of strategic objectives and maintaining sustainable development. In accordance with the *Articles of Association* and other relevant policies, we comprehensively consider factors such as age, gender, culture, educational background, professional experience, skills, academic qualifications, tenure, and ethnicity during the appointment of directors. As of the end of the Reporting Period, the proportion of female directors reached 43%. In 2025, the Company issued the *Board Member and Workforce Diversity Policy*, which aims to systematically guide the future composition of the Board based on the above dimensions and extend the principle of diversity to management and the workforce, thereby promoting inclusiveness and governance effectiveness. The Nomination Committee will regularly review this policy, evaluate and report annually on the composition of the Board and the gender ratio of the workforce, and monitor and report on the implementation of the Board Member and Workforce Diversity Policy.

Impact, Risk, and Opportunity Management

We have established a comprehensive risk and opportunity management system to effectively identify and manage corporate governance-related risks and opportunities. For further details, please refer to the "Risk Management" topic in the section Corporate Governance and Responsible Business of this Report.

Strategy

Remuneration Policy for Directors and Senior Management

The Company strictly follows remuneration decision-making procedures. In accordance with established formulation, supervision, and review processes, the Remuneration and Appraisal Committee of the Board assesses directors and senior management and determines their remuneration based on the *Working Rules for Specialized Board Committees*. The Remuneration and Appraisal Committee is responsible for the assessment procedures of non-independent directors and senior management who receive remuneration from the Company. The remuneration plan for directors is determined by the Shareholders' Meeting and disclosed accordingly. The remuneration plan for senior management is approved by the Board of Directors, reported to the Shareholders' Meeting, and fully disclosed.

To improve the remuneration management system, the Company revised the *Remuneration Management System for Directors and Senior Management* in December 2025, further establishing a scientific and effective incentive and restraint mechanism. Pursuant to Article 8 of the policy, the remuneration of senior management comprises basic salary and performance-based remuneration, of which the performance-based component should, in principle, account for not less than 50% of the aggregate amount of basic salary and performance-based remuneration.

Protection of Investors' Rights and Interests

The Company regards investor relations management as an integral part of corporate governance and strictly complies with the *Investor Relations Management System*, continuously improving institutionalised and standardised communication mechanisms. During the Reporting Period, the Company actively conducted investor communication activities through diversified channels such as roadshows, conference calls, WeChat communications, and irm.cninfo.com.cn, establishing an efficient and smooth two-way communication system and continuously enhancing the capital market's understanding and recognition of the Company's strategic planning, operational performance, and long-term value.

The Company's investor relations affairs are overseen by the Secretary of the Board of Directors, while the Investor and Media Relations Department, as the dedicated functional department, is specifically responsible for organising and implementing the relevant work, thereby ensuring the professionalism and consistency of information disclosure and stakeholder communication.

Investor Relations

Principles

Compliance: Fulfil information disclosure obligations in accordance with the law and comply with the industry's code of ethics and code of conduct.

Equality: Equal opportunities for investors, especially for small and medium-sized investors, creating opportunities and providing convenience for small and medium-sized investors to participate in activities.

Proactivity: Proactively carry out investor relations management activities, listen to opinions and suggestions, and respond to investor demands in a timely manner.

Honesty and Trustworthiness: Focus on honesty and integrity, adhere to the bottom line, standardise operations, take responsibility and create a good market ecology.

Investor Relations

Key Approaches

- Holding Shareholders' Meetings
- Company website
- On-site visit, investor education base, reception of visitors, seminar or one-on-one communication
- Advertising, media, press and other promotional materials
- Investor briefing, performance presentation, analyst meeting and roadshows
- Telephone enquiries, fax enquiries, e-mail enquiries and enquiries via irm.cninfo.com.cn

Related-party Transactions and Conflicts of Interest

In accordance with the *Company Law of the People's Republic of China* and the *Articles of Association*, the Company has formulated the *Related-party Transaction Decision-making System*, clearly defining related-party transactions and their decision-making procedures. The Company strictly stipulates that its controlling shareholders and de facto controller shall not use their related-party relationships to prejudice the interests of the Company. For transactions involving funds, goods, services, or other assets between the Company and its shareholders or de facto controller, we strictly require compliance with the Related-party Transaction Decision-making System, including review procedures by the Board of Directors and the Shareholders' Meeting. Related directors and shareholders shall abstain from voting, thereby preventing improper benefit transfers and safeguarding the Company's interests at the source.

Metrics and Targets



Meetings of Governance Bodies in 2025

Annual Performance of Investor Engagement



Risk Management

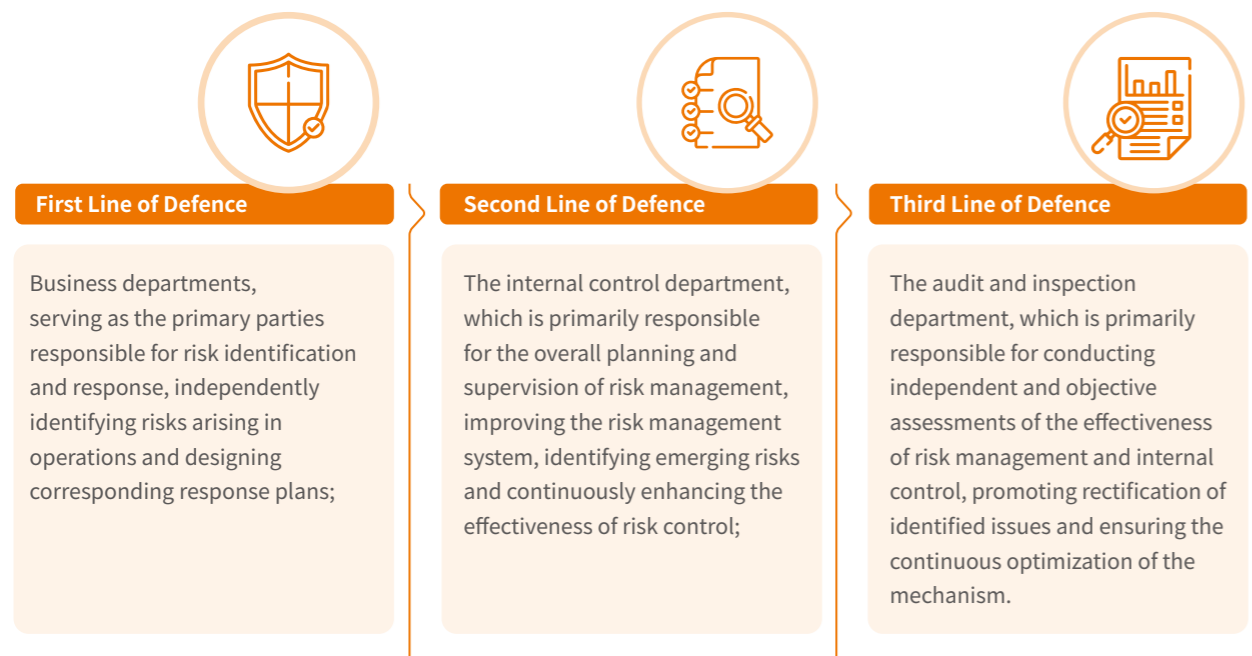
LINGYI ITECH regards compliance management and risk control as essential to sustaining stable operations, upholding the core values of "Integrity and Pragmatism, Customer First, Respect for Self and Others, Accountability, Long-termism, and Value Symbiosis". With internal control as the foundation and compliance management as the bottom line, consistently refining the risk management framework and supporting mechanisms.

The Company continually strengthens risk awareness and management capabilities across the workforce, enhancing its ability to identify, assess and respond to various risks. It proactively prevents potential operational risks, strictly prohibits unlawful and non-compliant conduct, and advances its management system towards greater standardization and systematization. In doing so, it continuously improves its compliance management standards and overall resilience to risk, fostering a well-regulated, healthy and sustainable corporate environment.

Governance

The Company attaches great importance to risk control and compliance management, continually enhancing its internal control system and establishing institutional frameworks such as the *Compliance Management Methods and Legal Risk Management System*. Each department formulates relevant management systems based on its functional characteristics and carries out risk identification and response, with risk management directly overseen by the head of each department. The Company deeply integrates risk management into all business processes, promotes coordinated implementation on a regular basis, and adopts refined closed-loop management to effectively reduce and avoid operational risks.

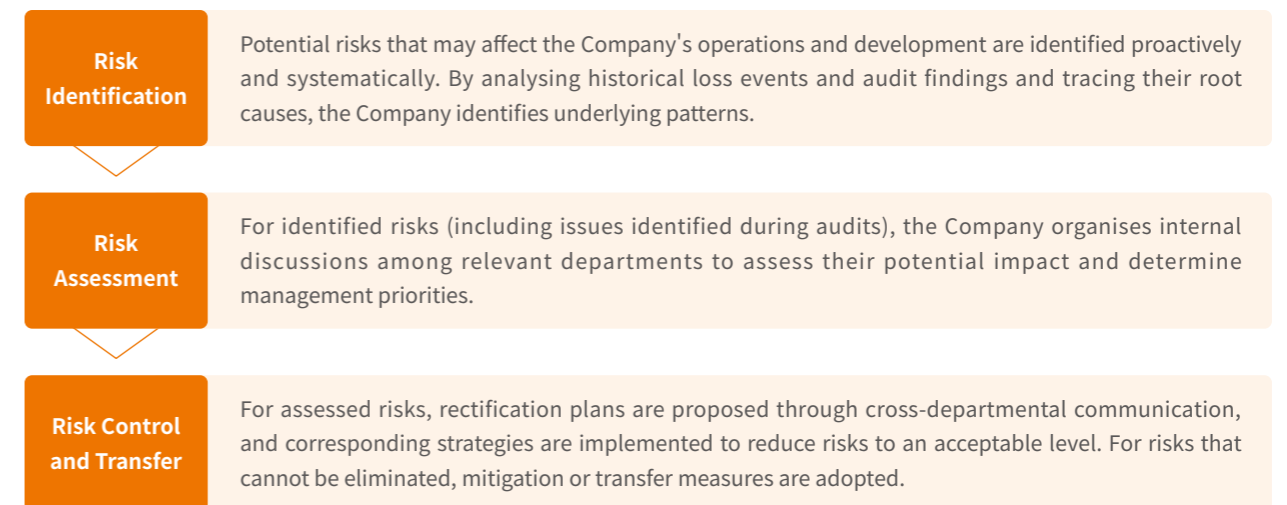
To systematically coordinate risk and compliance management, the Company has founded its risk management system upon "three lines", covering business operations, internal control, and audit:



Impact, Risk, and Opportunity Management

Risk Management Process

The Company deeply integrates risk management into all business processes, promoting a transition from static compliance to dynamic value protection and creation, and strengthening forward-looking capabilities, organisational resilience, and cross-departmental collaboration. To systematically identify and manage internal and external uncertainties that may affect the achievement of strategic objectives, the Company has established a full-process risk management system covering risk identification, assessment, control, and communication:



Strategy

Development of Compliance Management

The Company places great importance on compliance management, clearly defining its objectives, principles, and processes. By systematically reviewing the risk lists of all departments, it conducts comprehensive analyzes of potential risks and formulates targeted prevention and control measures. At the same time, the Company continuously carries out compliance training to enhance employees' awareness and capability in fulfilling compliance responsibilities, promoting a shift in risk management from passive response to proactive prevention.

During the Reporting Period, a total of

24

compliance training sessions were conducted, covering laws and regulations, compliance management, and process systems.

Compliance of Domestic and Overseas Operations

To adapt to domestic and international market and regulatory requirements and ensure compliance and delivery of its operations, the Company has established the Customs Compliance Management Department and the Regional Customs Compliance Management Department. Through factory-level self-inspections and self-rectifications and Group-wide audits, supported by the introduction of a customs management IT system and complementary training and communication, we continuously enhance employees' awareness of customs compliance. The Company continues to optimize its customs compliance management system, covering its principal domestic operating entities, and has deployed a next-generation customs IT system to strengthen information exchange and risk control capabilities. During the year, the Company achieved zero penalties in customs inspections, and the number of Authorized Economic Operator ("AEO") entities, recognized by the Customs, within the Group increased to three, all of which continued to meet the standards for advanced certification.



AEO Certificate of Shenzhen Linglue Machine Co., Ltd. | AEO Certificate of Salcomp (Shenzhen) Co., Ltd. | AEO Certificate of Guilin Salcomp Electronic Technology Co., Ltd.

Audit Management

In accordance with the *Audit Law of the People's Republic of China*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, the *Provisions of the National Audit Office on Internal Auditing*, and the *Articles of Association*, the Company has established the *Internal Audit System* to conduct comprehensive audits of all departments and subsidiaries. These audits cover the effectiveness of internal control and risk management, the authenticity and completeness of financial information, and the efficiency and effectiveness of operational activities. At the same time, we conduct comprehensive audits, investigations, and handling of high-risk areas related to business ethics standards, ensuring that such audits cover all operating locations at least once every three years. Audit matters include operational audits of plants, special audits, complaint investigations, and departure audits of senior executives. The relevant results are reported directly to the Board of Directors, which oversees the implementation of corrective actions.

On this basis, the audit department uses audit projects as a key approach to examine operational management across business units ("BUs"), focusing on evaluating the implementation of internal compliance requirements. It plans to achieve full audit coverage of all business units on a two-year cycle.

Meanwhile, the Company integrates the development of risk management culture into the entire audit process. At key stages such as project kick-off and closure meetings, compliance and risk control priorities are communicated to the heads of BUs and functional departments, promoting the integration of risk awareness into daily operations. The supervision department strengthens internal warning and awareness education by organising thematic briefings on the prevention of economic crime and issuing notices on disciplinary cases and cases referred to judicial authorities, encouraging employees to identify and prevent risks proactively.

During the Reporting Period, the Group's Audit Department conducted

28

audit projects, including operational audits, routine audits, departure audits, and special audits.

Metrics and Targets

Target	Progress
0 penalties in customs inspections and audits	Target Met

Business Ethics

LINGYI ITECH strictly complies with laws and regulations that have a significant impact on enterprises, including the *Anti-monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. Upholding the core values of "Integrity and Pragmatism, Customer First, Respect for Self and Others, Accountability, Long-termism, and Value Symbiosis", the Company integrates the requirements for business ethics into corporate governance and daily operations, striving to establish a sound anti-corruption and whistleblowing mechanism and to foster a clean and upright business environment.

Governance

The Company has established the Group Audit and Supervision Department, which reports directly and regularly to the Audit Committee of the Board of Directors. The Committee and department are responsible for investigating violations including corruption, bribery and embezzlement, and promoting the development of an integrity culture. At the same time, the Integrity Supervision Committee has been established to oversee procurement activities across all processes of business operations. In accordance with the *Regulations on the Management of Bribery and Corruption.*, the Company implements integrity requirements throughout its business operations. The *Employee Handbook* also expressly provides that employees must not, by taking advantage of their work or position, offer, request, accept or promise any improper benefit to or from any relevant party, nor engage in unlawful or improper conduct such as corruption or bribery. Where any such conduct is identified, the Company is entitled to unilaterally terminate the relevant employment contract.

For procurement activities, the Company requires all suppliers to sign the *Supplier Integrity Agreement* and has established systems such as the *Integrity Code Management Specification*, the *Management Standards for Appeals and Reporting*, and the *Whistleblower Protection System*.

LINGYI ITECH: Prohibited Acts

- 01 All gift-giving in violation of applicable laws and regulations.
- 02 Accepting kickbacks, gifts of any kind, or valuable items.
- 03 All acts of using the convenience of one's position to seek benefits for oneself or a specific relation through the same business or related transactions.
- 04 All acts of engaging in or participating in price manipulation, market segmentation, or other violations of laws and regulations on anti-trust or anti-competitive practices.
- 05 All acts of meddling or interfering in market access, bidding and contract signing to obtain insider information.
- 06 All acts of using the convenience of one's position to have the expenses that should be paid by oneself or one's relatives paid or reimbursed by the supplier or other relevant units.
- 07 Anyone who uses his/her position to seek improper benefits for himself/herself or others.
- 08 All acts of bribery to circumvent the Company's compliance management processes and procedures.
- 09 All acts of retaliating against employees who report violations in good faith, or obstructing or interfering with the proper functioning of whistleblowing channels

Impact, Risk, and Opportunity Management

The Company conducts comprehensive reviews of all business processes, identifies potential risks of commercial bribery and corruption, formulates corresponding risk prevention and control measures, and regularly evaluates and adjusts the effectiveness of such measures.

Based on both common business ethics risks within the industry and the Company's actual business operations, the Company has identified the following categories of risk:

Risk Category	Risk Description	Responses
Market Competition and Business Expansion Risk	In marketing activities, operators may engage in improper benefit transfers to secure business or exclude competitors, posing risks of violating anti-bribery regulations, which may result in regulatory penalties, reputational damage, and loss of market trust.	The Company has established sound business ethics standards and supervision and accountability mechanisms, strengthened compliance control in marketing activities, and regularly conducted anti-commercial bribery training to enhance employees' compliance awareness.
Operational and Supply Chain Management Risk	In procurement, contractor selection, and daily operations, there may be risks of misconduct such as corruption, fraud, or malpractice, which may result in economic losses to the Company, higher compliance costs, and even affect project delivery and supply chain stability.	The Company has formulated systems such as the <i>Integrity Code Management Specification</i> and the <i>Supplier Integrity Agreement</i> for key processes including procurement and supplier selection, covering personnel involved in procurement, operations, and supply chain management, as well as partner suppliers. The Integrity Supervision Committee has been established to oversee the entire process. Whistleblowing channels and whistleblower protection mechanisms have been implemented, and acts of corruption, fraud, and misconduct are strictly investigated and addressed to safeguard supply chain stability and the Company's legitimate interests.

Strategy

Development of a Culture of Integrity

In daily operations, the Company promotes business ethics, integrity policies, and related knowledge to all employees (including part-time employees and contractors) through both online and offline channels such as DingTalk notifications, emails, and on-site briefings. The Company has designated March 15 each year as "LINGYI iTECH Integrity Day", and through diverse integrity culture initiatives, continuously enhances employees' awareness of compliance in areas such as anti-fraud, anti-corruption, and anti-bribery.

Anti-Competitiveness

The Company firmly believes that a fair, honest and sustainable competitive environment is the cornerstone of high-quality development in the manufacturing industry. Guided by the principles of prevention first, full participation, technology enablement and ecosystem-wide governance, the Company embeds anti-unfair competition requirements deeply into its corporate governance and business processes. The Company strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and expressly prohibits employees from obtaining competitive intelligence through commercial espionage, bribery, theft, eavesdropping, or other such means, or from maliciously disseminating false information about competitors and their products or services. The Company is firmly committed to maintaining fair competition and eliminating all forms of unfair competition.

Anti-Money Laundering

The Company strictly complies with the *Anti-Money Laundering Law of the People's Republic of China* and diligently implements all requirements relating to cash management, payment procedures, accounting records, and financial reporting for transactions and contracts. The Company insists on conducting business only with customers and business partners whose commercial activities are lawful, whose sources of funds are legitimate, and who have a sound reputation. The Company regards a sound and effective anti-money laundering system as both a compliance baseline and a strategic cornerstone. It is committed to safeguarding financial security, preserving the integrity of the supply chain, and fulfilling its social responsibilities as a corporate citizen. In response to the specific risks arising from global supply chains, complex trade networks, and diversified financial transactions, the Company continuously strengthens its anti-money laundering management mechanisms to ensure that business activities comply with applicable laws and regulations.

Complaints and Reporting

The Company has formulated the *Management Standards for Appeals and Reporting*, encouraging employees and stakeholders to lodge complaints or reports regarding conduct that violates the *Employee Handbook* or laws and regulations, or that harms the interests of the Company or employees, including matters relating to labor rights and business ethics. The Group Supervision Department centrally consolidates complaint information from all channels through the OA process of Monitoring Leads, enabling systematic management, closed-loop follow-up, and timely handling, while maintaining records to ensure that leads are traceable and correlated. This process is overseen by the head of the Supervision Department, enhancing the standardisation and effectiveness of supervisory work.

Whistleblower & Appeal Channels

The Company has established a voluntary reporting channel to encourage employees to conduct self-examination and self-correction. Where employees voluntarily disclose misconduct and fully return all improper gains before audit or supervisory communication begins, the Company will, upon verification, treat them leniently, exempt them from financial penalties, and, depending on the circumstances, reduce or waive administrative sanctions. For employees who become involved in judicial proceedings as a result of implication, the Company will provide necessary assistance within the legal framework and handle the matter strictly in accordance with relevant laws and regulations, thereby safeguarding the Company's culture of integrity and compliance.

Reporting Channels

Scope of Application: Applicable to employees of LINGYI iTECH (GUANGDONG) COMPANY and its controlled subsidiaries in China and expatriate employees.

Scope of Improper Gains: Employees and their family members use their authority in LINGYI iTECH to obtain economic benefits through methods including but not limited to solicitation and acceptance of bribes, affiliation, fraud, forgery, corruption, embezzlement, misappropriation, false reimbursement, and use of Company resources and channels.

Principle of Confidentiality: The Company keeps the information of self-declared employees strictly confidential by setting up a special mailbox.

Whistleblowing Channels

- Email: ia@lingyiitech.com
- DingTalk Number: Group integrity reporting hotline
- Integrity Hotline: 17520165052
- Website Channel: The Company's official website - About LY iTECH - Integrity & Honesty Complaint Channel

Whistleblower Protection Management

We firmly prohibit any retaliation against whistleblowers and implement an anonymous reporting system to reduce, at the source, the risk of exposure of a whistleblower's identity. The personal information of whistleblowers, including individuals, suppliers and other business partners, as well as all reporting materials provided by them, is subject to strict confidentiality measures. Whistleblowing matters are reported directly to the Audit Committee of the Board of Directors.

We undertake to keep all relevant documents confidential to the extent permitted by law. Dedicated personnel are assigned to receive visitors and handle complaint calls, and unrelated personnel are strictly prohibited from receiving, listening in on, questioning, or recording such matters. When investigating and verifying reported matters with whistleblowers, we choose strictly confidential locations and determine the timing with full regard to the whistleblower's convenience, thereby effectively protecting whistleblowers' rights and interests.

Whistleblower Protection System

- 01 Anonymous complaints and reports are accepted.
- 02 Regular visits, whereby employees are randomly visited on a monthly basis after the case has been dealt with to confirm whether or not they have been subjected to retaliation.
- 03 Timely intervention and protection of whistleblowers when they are subjected to retaliation, and strict punishment for retaliation against whistleblowers.
- 04 For major abnormal complaints (e.g. harassment, whistleblowing, etc.), in order to eliminate the complainant's worries and concerns and avoid retaliation, and under the premise of respecting the employee's wishes, the Company may assist in making appropriate post adjustments as appropriate.
- 05 All complaint materials are not allowed to be copied, reproduced or excerpted by anyone.
- 06 The information of the whistleblower must be kept strictly confidential and the scope of those who know it should be controlled. Grievance receiving personnel should receive relevant training and sign a confidentiality agreement before starting work.

Metrics and Targets

Target	Progress
100% handling rate for the Group's business ethics complaint cases	In 2025, the Group Supervision Department received 45 leads related to anti-corruption and anti-bribery, 100% of which were investigated. Following the investigations, 33 cases were substantiated and were handled in accordance with regulations and the Company's policies.
At least 10 anti-corruption training/awareness sessions throughout the year	In 2025, a total of 14 integrity and anti-corruption training sessions were conducted, including online integrity awareness posts with over 320,000 views. A total of 320,632 employee participations in anti-corruption training were recorded, covering 7 Board members, with a 100% training coverage rate achieved for all employees (including part-time employees and contractors).

During the Reporting Period, the Company conducted **28** internal audits relating to business ethics, including anti-corruption and anti-fraud matters.

Tax Management

Tax Policy

The Company strictly complies with domestic tax laws and regulations, including the *Enterprise Income Tax Law of the People's Republic of China* and its Implementation Regulations, the *Provisional Regulations on Value-added Tax of the People's Republic of China* and the Detailed Rules for Implementation, and the *Administrative Measures for the Collection of Taxes of the People's Republic of China*, as well as the applicable tax laws and regulations of the countries and regions in which the Company operates. The Company has formulated the *Tax Management System* to regulate and guide the performance of obligations such as tax registration and filing, tax declaration, and tax payment.

In addition, the Company strictly complies with tax-related laws and regulations in all jurisdictions where it operates globally and, on the premise of compliance, actively leverages tax and trade incentive policies introduced by national and local authorities, including bonded business arrangements, free trade agreements ("FTAs"), and tariff exclusions for specific goods, so as to lawfully reduce tax burdens and support stable operations.

Information Security and Privacy Protection

The Company always places the information security of business partners, employees, and customers at the core of operational management and regards data and privacy protection as a key part of fulfilling corporate responsibility. The Company strictly complies with relevant laws and regulations such as the *Cyber Security Law of the People's Republic of China* and benchmarks itself against internationally recognised information security standards, such as ISO/IEC 27001:2013. With the goal of zero loss and zero leakage, the Company has established and continuously improved an information security management system covering all business processes.

To address increasingly complex data security challenges, the Company regularly organises information security awareness and skills training for all employees to strengthen risk prevention capabilities. At the same time, the Company has established efficient mechanisms for risk identification, early warning, interception, and emergency response to ensure that high-risk information security incidents are handled promptly and appropriately. In the processing of employees' personal information, the Company adheres to the principles of lawfulness, legitimacy, and necessity, and strictly limits the scope of collection and use.

With respect to customer privacy information, the Company formulates corresponding protection systems in accordance with customers' specific requirements and clearly informs customers at the outset of cooperation of the methods of information processing, including the purpose of collection, methods of use, retention periods, and disposal rules, enabling customers to determine the scope of authorisation independently according to the nature of their data. In addition, through internal management systems such as the *Employee Handbook*, the Company expressly prohibits employees under any circumstances from disclosing to third parties, including other enterprises or individuals, any corporate secrets, customer data, or sensitive partner information encountered in the course of performing their duties, thereby reinforcing its information security safeguards.

Governance

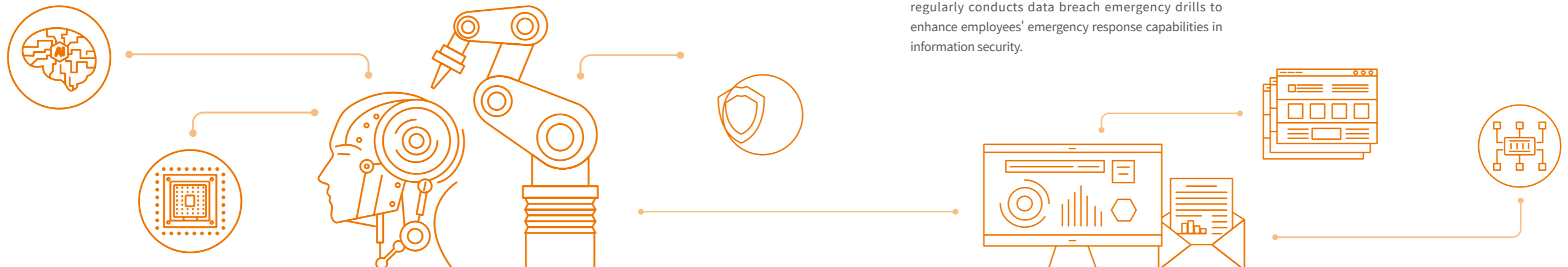
The Company continues to improve its information security policy system and has established fundamental systems such as the *Information Security Management Manual*, *Information Security Incident Management Procedures*, and *Information Security Specifications and Penalty Regulations for Non-compliance*, so as to ensure the effective implementation of information security and data management. In 2025, focusing on security throughout the full data lifecycle, customer privacy protection, and responses to cyber security threats, the Company introduced additional specialised systems, including the *Data Security Management Procedures*, *Customer Information Confidentiality System*, and *Threat Intelligence Collection and Management Procedures*. These further strengthen control requirements across data collection, storage, transmission, use, and destruction, and clarify key measures such as encryption, access control, data masking, and emergency response. During the Reporting Period, the Company and 21 of its entities obtained ISO 27001 Information security management systems certification.

Information Security Management System

The Company attaches great importance to cyber and information security and has incorporated it into the core domain of corporate governance. During the Reporting Period, the Company further improved its information security governance structure by establishing a four-tier management and control system comprising the General Manager, the Information Security Committee, management representatives, and designated coordinators at each business unit. Under this framework, the General Manager serves as the person ultimately responsible for information security, the Information Security Committee coordinates decision-making on major matters, the management representatives lead system implementation, and each business unit is responsible for local execution. In addition, the Company regularly conducts internal information security audits and management reviews, follows up on rectification matters, and promotes the continuous improvement of the system.

Impact, Risk, and Opportunity Management

The Company has established the *Information Security Risk Assessment Management Procedures*, under which risk assessments are conducted regularly and promptly initiated in the event of major changes or updates to standards. Risk levels are classified into three categories—high, medium, and low—and response plans are formulated based on strategies such as mitigation, retention, avoidance, and transfer, with responsible departments and corresponding measures clearly defined. At the same time, through the *Corrective and Preventive Measures Control Procedures*, potential non-conformities are analysed, and responsible personnel track and verify the effectiveness of corrective and preventive measures. The Company has also formulated information security emergency response plans and regularly organises drills to ensure timely response to and handling of incidents.



Strategy

Information Security Training

We conduct information security training covering all employees across the Group through a combination of online and offline approaches. Information security awareness videos are broadcast cyclically across subsidiaries, and on-site training sessions are held from time to time to comprehensively enhance awareness and capabilities.

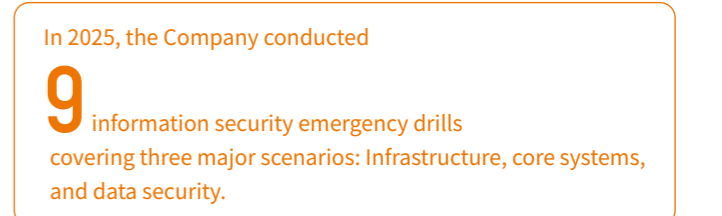


Information Security Incentives and Penalties

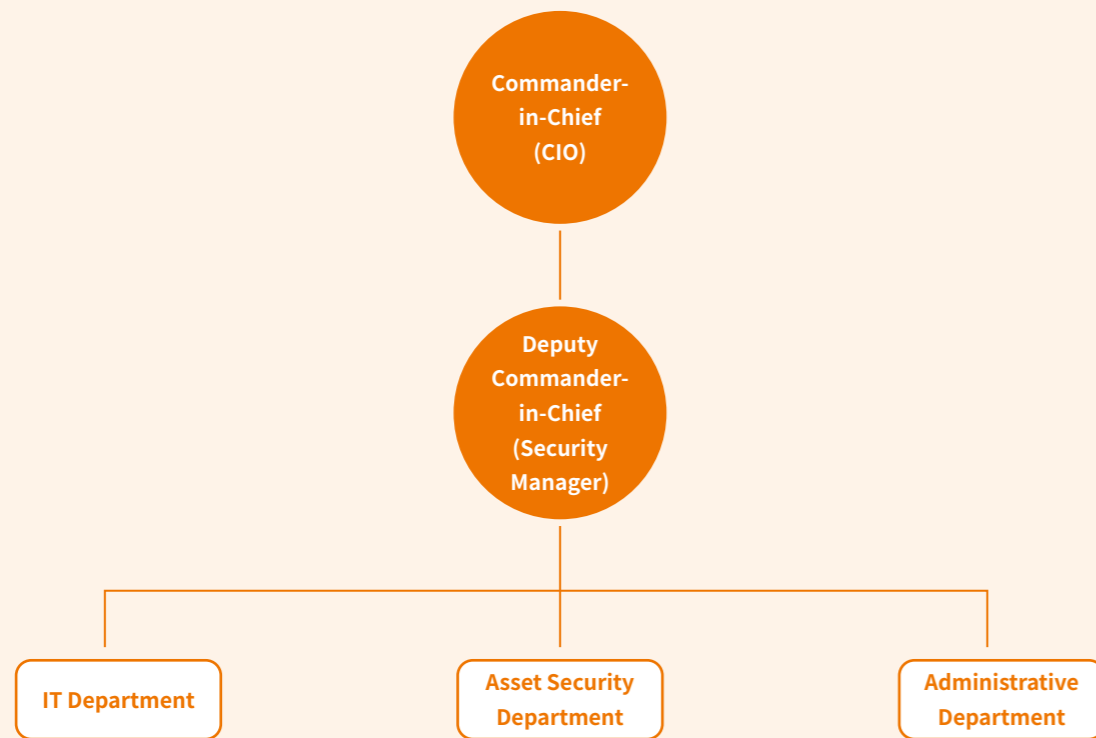
The Company has established the *Information Security Specifications and Penalty Regulations for Non-compliance* applicable to all employees. The policy follows principles including timely incentives, confidentiality of reporting, legal accountability, classification of violations, leniency for voluntary disclosure, penalties for excessive defensive conduct and timely handling. It sets out information security requirements, principles for administering incentives and penalties, and the information security responsibilities of each department.

Emergency Response Plan for Information Security Incidents

In accordance with emergency mechanisms such as the *Emergency Response Procedures for Information Security Incidents* and the *Information Security Incident Management Procedures*, once a security incident occurs, the Company initiates response measures immediately to ensure the normal operation of business and minimise the impact of the incident. At the same time, the Company regularly conducts data breach emergency drills to enhance employees' emergency response capabilities in information security.



Information Security Emergency Management Structure



Information Security Incident Responder Duties

Commander-in-Chief (CIO)		
Ensure timely coordination of personnel and resources in emergency response procedures at all times, and comprehensive scheduling of response procedures in emergencies.		
Deputy Commander-in-Chief (Security Manager)		
Work under the leadership of the CIO; in the absence of the CIO, assume their responsibilities and duties, or coordinate relevant activities according to the information security incident procedures.		
IT Staff	Asset Security Staff	Administrative Staff
Recover IT equipment hardware and related system failures.	Guide the procedural handling of information security incidents; identify responsibility for information security incidents.	Impose penalties on relevant responsible persons in accordance with the Company's Regulations for information security incidents that have occurred.

Information Security Audit

To ensure the effectiveness of information security audits, the Company has established an independent security audit mechanism. The System Department leads specialised inspections, the Legal and Compliance Department provides professional support, and each department is equipped with dedicated information security administrators to ensure that privacy protection requirements are embedded throughout all business processes.

Privacy Protection Management

In 2025, with the *Customer Information Confidentiality System* as its core framework, the Company further improved a full-chain privacy protection mechanism covering customers, employees and suppliers. Throughout the full data life cycle, it implemented encrypted storage, access controls, irreversible data masking and secure destruction. It also strengthened third-party management by incorporating privacy compliance requirements into supplier onboarding and audit procedures, while simultaneously upgrading technical safeguards through the deployment of privacy-enhancing technologies and the optimisation of emergency response mechanisms.

Strengthening Cross-border Data Compliance Management

With the expansion of global operations and the application of multiple systems, cross-border transmission of personal data involving employees, suppliers, and other stakeholders has become increasingly frequent. In response, the Company updated the *Privacy Policy* on its official website and recruitment platform and embedded multilingual personal data processing rules into the login interfaces of relevant systems. It also prepared consent forms for the cross-border transfer of employees' personal data and promoted their incorporation into onboarding documentation; introduced personal information collection notices on the complaints platform; and, in response to data-sharing needs among Group affiliates, drafted intercompany data transfer agreements to clarify the rights and obligations of each party. In parallel, the Company conducted dedicated compliance training to improve the understanding and implementation of cross-border data transfer rules among relevant personnel, thereby ensuring that such processing activities comply with applicable laws and regulations.

Metrics and Targets

Target	Progress
Zero major information security incidents	Targets Met
No major incidents resulting in customer information leakage, prolonged disruption of core systems, significant economic losses or serious reputational damage	

Technology Innovations and Green Products

LINGYI iTECH has consistently regarded technological innovation as the core driving force of its development. Focusing on the dual priorities of intelligent manufacturing and low-carbon transformation, the Company has systematically established a capability framework encompassing R&D governance, intellectual property protection, application of clean technologies, and eco-friendly product design, thereby promoting the deep integration of technological breakthroughs and environmental responsibility. By improving innovation mechanisms, strengthening industry-academia-research collaboration, and expanding applications of new energy and recyclable materials, the Company not only enhances its own competitiveness but also actively meets the expectations of customers, investors, and the public for responsible manufacturing and sustainable industrial development, contributing to the advancement of the entire value chain towards high-quality and green development.



Related Topics

- R&D Innovation and Intellectual Property Protection
- Technology Ethics
- Opportunities in Clean Tech
- Product Quality and Safety
- Green and Energy-Efficient Products

SDG Alignment



Innovation-driven Development

LINGYI ITECH adheres to advanced manufacturing concepts of lean production, automation, digitalization, and intelligence. We actively apply frontier technologies and vigorously promote the development of intelligent workshops to enhance production efficiency and quality. At the same time, the Company has established a comprehensive three-tier R&D system, providing strong structural and platform support for technological innovation. It places great emphasis on intellectual property protection and has established a sound intellectual property management system to comprehensively safeguard innovation outcomes.

R&D Innovation and Intellectual Property Protection

Governance

Management Structure



Research and Innovation

The Company has established a clear and efficient three-tier R&D management structure, with the Industrial Research Institute serving as the top-level driver of technological strategy, coordinating frontier research and future-oriented development. The Business Group (BG) Technology Centers are responsible for building technical platforms and conducting common technology R&D at the business group level, while the Business Unit (BU) Product Development Centers focus on the implementation and development of specific product lines. This system is supported by five specialized R&D centers—including thermal management modules, mechanical engineering, advanced materials, electromagnetics, and modelling and simulation centers—providing key technical support and forming a full-chain innovation capability covering basic research, application development, and mass production transformation.

To standardize the full process of R&D activities, the Company has formulated institutional documents such as the *Management Standards for Material Development Workflow*, clearly defining a standardized pathway from requirement identification, project approval, prototype trial production, and customer validation to the formulation of Standard Operating Procedures (SOP) and Standard Inspection Procedures (SIP). At the same time, a full-process archiving mechanism for R&D project documentation has been established to ensure traceability of processes and quantifiability of outcomes, supporting compliance with policies such as additional tax deductions for R&D expenses.



Intellectual Property Protection

The Company has established a clear organizational structure for intellectual property management. The Legal and Compliance Department serves as the competent authority, with a designated Senior Intellectual Property Manager (Compliance) responsible for formulating the Group's intellectual property systems, reviewing intellectual property applications, and planning intellectual property portfolios. R&D, business, and operations departments are responsible for proposing intellectual property application requirements; the Information Security Officer is responsible for preventing the leakage of customer confidential information related to intellectual property; and the Finance Department is responsible for reviewing supporting matters and paying related intellectual property expenses. All departments collaborate in a coordinated manner to provide institutional support for the Company's continuous innovation and development.

To standardize intellectual property management and R&D processes, the Company has, in accordance with national laws and regulations and in consideration of its actual operations, formulated and implemented a number of management systems:

Intellectual Property Management: The Company has established and implemented systems such as the *Intellectual Property Management Procedures*, *Patent Management Standards*, *Trademark Management Standards*, and *Computer Software Copyright Management Standards*, clearly defining the full-process standards from application, maintenance, and confirmation of rights to transfer, infringement dispute handling, and invalidation responses.

R&D Processes and Compliance: The Company has established R&D management systems such as the *Management Standards for Material Development Workflow*. At the same time, it has implemented a full-process standardized management system for R&D project documentation, clearly defining archiving requirements from project initiation and implementation to completion, thereby providing compliant documentation support for policies such as additional tax deductions for R&D expenses.

Incentive Mechanisms

The Company encourages employees to actively participate in scientific and technological innovation activities and promotes engagement in technological innovation and invention through diversified incentive measures.

Service Inventions and Patent Incentives

Rewards are granted to principal contributors to service-related intellectual property and to individuals who make significant contributions to the application and commercialization of intellectual property, based on the type of intellectual property and its contribution to R&D and production.

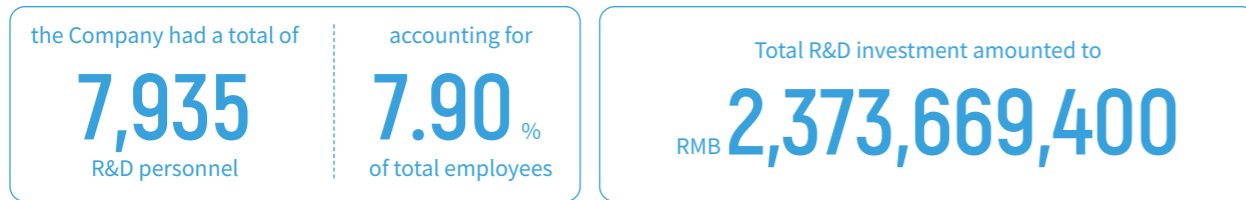
Special R&D Project Incentives

The Company has established the *Tax Project Incentive Policy*, providing cash rewards to teams or individuals who prepare complete and accurate sets of R&D documentation in a timely manner, thereby encouraging participation in R&D project documentation management across departments.

Recognition and Awards

The Company has established the annual "Recognizing Excellence" program, closely aligned with strategic directions such as technological leadership and efficiency-driven development, and has introduced awards including Best Process Innovation Award, Best Product R&D Award, Best Mold Development Award, and Best Automation Development Award.

As of the end of the Reporting Period,



Impact, Risk, and Opportunity Management

The Company places strong emphasis on safeguarding its own intellectual property rights while implementing systematic risk control measures to prevent infringement of third-party intellectual property:

Infringement Risk Screening

The Company emphasizes patent infringement risk investigations, regularly organizes self-inspections and internal audits covering both granted and pending patents, ensuring traceability of screening content, data, and results, and formulates improvement plans with closed-loop follow-up for identified issues.

Protection of Trade Secrets

Through multi-dimensional measures such as establishing trade secret protection systems, conducting training, designating core confidential areas, controlling confidential information and documents, signing confidentiality agreements, regulating visits and inspections, and requiring employees to strictly comply with confidentiality obligations, the Company protects its intangible assets.

Compliance Awareness Training

To enhance the compliance awareness and professional capabilities of key position personnel, the Company continuously conducts targeted training.

In 2025, the Company conducted specialized training on robot patent mining and drafting for the South China CNC region, covering approximately 50 key technical personnel.

Strategy

Guided by its 2030 development goals, LINGYI iTECH deeply advances its business directions in electricity, thermal management, fast charging, and applications across human, vision, foldable, and wearable technologies. We are committed to becoming an "open-source enabler in technology", opening up core capabilities such as precision manufacturing and automation to ecosystem partners. Leveraging our AI-driven high-precision intelligent manufacturing platform, we focus on battery systems, thermal management, and fast-charging technologies to expand a diversified product portfolio, extending into frontier application areas such as human, vision, foldable, and wearable technologies, thereby strengthening our leadership in AI hardware, automotive, and the low-altitude economy, and further enhancing technological capabilities and market influence.

We will continue to increase R&D investment in the above key areas, launch more high-end and advanced products, build mid-to long-term growth drivers, and continuously enhance our industry position and sustainable development capabilities in the global market. By integrating core process innovation with application expansion, we continuously consolidate our industry position and empower next-generation AI hardware innovation.

Focusing on the deep integration of new materials, new processes, and intelligent manufacturing, we continuously drive sustainable development. In 2025, the subsidiary A-CORE Jiangmen Electronic Co., Ltd. was recognized among the Top 100 Innovative Enterprises as a "Technology Innovation Star 2025", while Salcomp (Shenzhen) Co., Ltd. received the "Technology Innovation Award" from customers. Through industry-university-research cooperation and participation in industry standards development, these entities further strengthened their technological leadership and core competitiveness within the value chain.

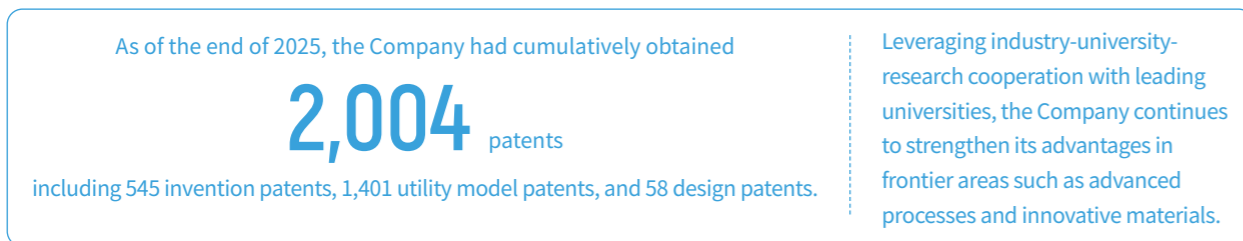
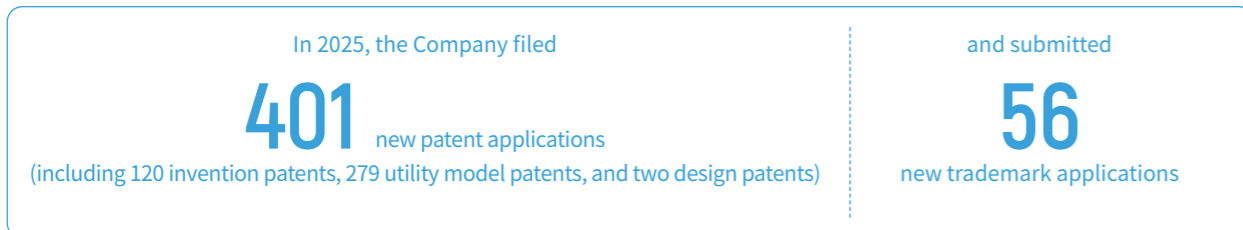
Partnerships with Academia and Research

Collaboration with Harbin Institute of Technology to overcome technical challenges such as infrared online monitoring of welding defects

Our subsidiary Dongguan Crystalyte Precision Manufacturing Technology Co., Ltd. has continued to deepen its industry-university-research collaboration mechanism, building an open and mutually beneficial innovation ecosystem. During the Reporting Period, the Company collaborated with Harbin Institute of Technology to overcome key technical challenges such as infrared online detection of welding defects, transforming research outcomes into practical productivity and enhancing the intelligence and precision of manufacturing processes.

Metrics and Targets

Intellectual Property Accumulation



Compliance Performance

In 2025, the Company did not experience any major incidents involving infringement of others' trademark rights, patent rights, or copyrights, nor were there any compensation claims arising from intellectual property disputes, and no incidents of trade secret loss or unauthorized disclosure occurred.

Target	Progress
Optimize patent mining and drafting quality, and increase the proportion of high-quality patents such as software copyrights and invention patents	<p>Completed comprehensive trademark portfolio development for core brands, continuously optimize application processes to improve the authorization efficiency of high-value outcomes, and streamline and optimize the existing intellectual property portfolio by orderly eliminating redundant or low-quality intellectual property.</p>
Strengthen intellectual property portfolio development and patent landscaping in core industries, and enhance overseas intellectual property deployment.	

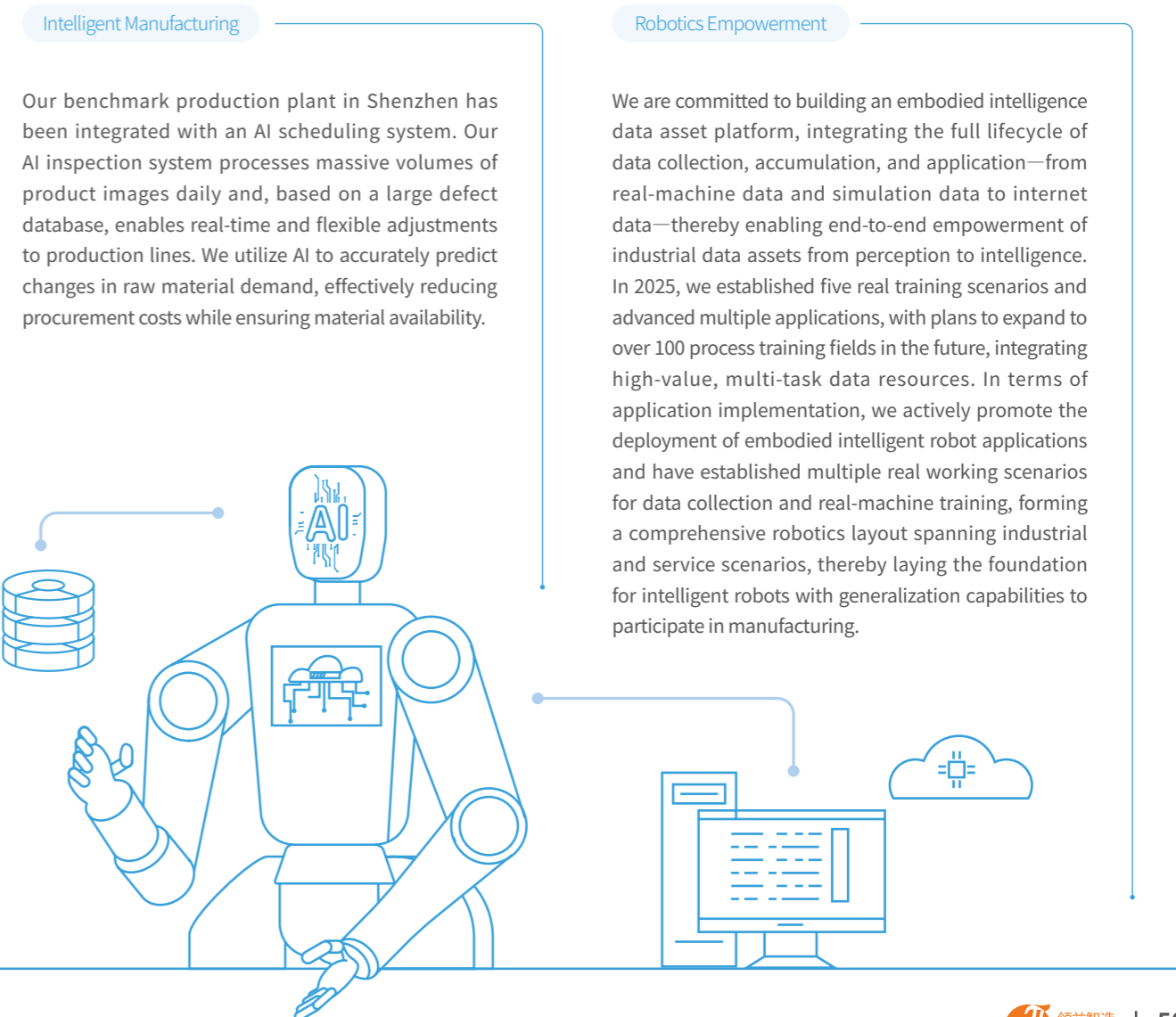
R&D Innovation and Intellectual Property Protection

Intelligent Manufacturing and Lean Operations

Leveraging years of technological accumulation in numerical control and automation equipment, we have built a digital intelligent manufacturing system deeply integrating AI, robotics, and automation technologies, and have fully embedded it into industrial production solutions. With self-developed multi-category, multi-functional CNC and automation equipment, we are committed to building intelligent workshops and modern intelligent factories that reach internationally advanced and domestically leading levels in equipment precision, operational efficiency, and intelligence.

The Company has established a Lean Digitalization Department as the core management unit for advancing lean production and digital transformation. Through IT empowerment, it enables data visualization and collaborates with the IE Center to carry out lean improvement initiatives across Business Groups (BGs) and Business Units (BUs). As of December 31, 2025, the Company had implemented over 8,000 process improvement projects, achieving cost savings equivalent to 2.6% of output value.


We have built an intelligent manufacturing system centered on "AI + Robotics" to achieve the goal of leading the world through intelligent manufacturing:



In addition, the Company continues to explore innovation in intelligent manufacturing. Through the comprehensive deployment of systems such as Manufacturing Execution Systems (MES), Quality Management Systems (QMS), and Enterprise Asset Management Systems (EAM), we have achieved full-process digital control from production execution to quality and equipment management, significantly improving production efficiency and product quality. Furthermore, the Company has introduced various automation equipment, such as Automated Optical Inspection (AOI), robotic arms, and automated packaging lines, further advancing the intelligent upgrading of production.


Production Execution and Quality Management

The Company has implemented a Manufacturing Execution System (MES) to achieve intelligent error-proofing control in material deduction during production processes and full-chain traceability. A comprehensive Quality Management System (QMS) has also been deployed to enable online control of quality processes, including Incoming Quality Control (IQC), In-process Quality Control (IPQC), and Outgoing Quality Control (OQC), ensuring that quality data are accurate and traceable.




Equipment and Resource Management

An Enterprise Asset Management System (EAM) has been implemented to enable full-process digital management of equipment through barcode scanning and to provide safety stock alerts via intelligent inventory management. A key personnel management system has also been established to collect and verify real-time information on personnel in critical positions.



Automation Upgrade

The subsidiary LY Technology (Suzhou) Co., Ltd. has introduced automation equipment, such as Automated Optical Inspection (AOI), robotic arms, and automated packaging lines. For example, in the automation upgrade of keyboard adhesive transfer with AOI, efficiency increased from 400 pcs/h to 700 pcs/h. Salcomp Electronic Technology (Guilin) Co., Ltd. has implemented a paperless equipment inspection system, maintaining an annual equipment downtime rate at 2.15%.



Intelligent Warehousing

LINGYI ITECH continues to advance in intelligent warehousing and logistics by introducing a Warehouse Management System (WMS) and a Supplier Relationship Management (SRM) platform, achieving intelligent warehousing management and transparent procurement processes. At the same time, the Company utilizes a Transportation Management System (TMS) for logistics scheduling and has implemented electronic waybills to achieve paperless operations, significantly improving logistics efficiency and accuracy while reducing operating costs and laying a solid foundation for overall supply chain optimization.

Warehouse Management System (WMS)

The Company has implemented a Warehouse Management System (WMS), standardizing operational processes through barcode identification, optimizing storage location planning using intelligent algorithms to maximize space utilization, and breaking down data barriers across procurement, sales, and other business processes.

Supplier Relationship Management (SRM)

The Company has deployed a Supplier Relationship Management (SRM) platform, migrating the entire procurement process online and achieving full-chain transparency in procurement planning, execution, delivery, and settlement.

Intelligent Logistics

The Company utilizes a Transportation Management System (TMS) for logistics scheduling, has implemented a factory-level vehicle cost allocation system, and promotes electronic waybills to achieve paperless operations.

Technology Ethics

Technology Ethics Governance

The Company adheres to the principle of responsible technology application, complying with the *Patent Law of the People's Republic of China* and internationally recognized ethical standards in the field of technology, and avoids the development or application of technologies that may harm the environment, human health, public safety, or violate ethical standards.

During the Reporting Period, the Company did not incur any penalties from relevant authorities due to violations of technology ethics.

Technology Ethics Training

The Company places strong emphasis on building capabilities in technology ethics and regularly organizes specialized training to enhance employees' ethical awareness and risk identification capabilities, effectively preventing misuse of technology or potential ethical risks.

During the Reporting Period, technology ethics training covered

42,436

participants

with a total training duration of

78,460

hours



Opportunities in Clean Tech

Governance

The Company remains committed to tapping into the opportunities in clean technology to accelerate green and low-carbon transformation and has elevated this to a core strategy. Our business units collaborate to implement and advance the R&D and application of clean technologies, ensuring that our investments in this field not only meet regulatory requirements but are also effectively translated into the Company's core competitiveness.

Strategy

We consistently regard business growth and sustainable development as dual objectives that progress in tandem. Guided by the principles of "Reduce, Reuse, Recycle" (3R), we systematically integrate green concepts into the entire production process. We regard clean technology as the core driving force of sustainable development and seize opportunities arising from global energy structure transformation, continuously innovating in clean technologies to promote industrial upgrading through advanced technologies and green concepts.

In the clean technology space, the Company focuses on three strategic priorities: Firstly, we seek to embed AI across the entire value chain, from R&D and innovation to manufacturing and plant management, including the deployment of embodied intelligent robots in scenarios such as smart patrols and automated transport to enhance industrial automation capabilities. Secondly, we continue to boost our presence in the automotive, low-altitude economy and renewable energy sectors by expanding into sectors such as power batteries, power management systems and photovoltaic modules, while developing product solutions with clear energy-saving and low-carbon advantages. Thirdly, we actively promote the application of environmentally friendly new materials and the standardized management of chemicals, ensuring that products across their full lifecycle meet or exceed international environmental standards. At the same time, the Company will continue to deepen collaborative innovation with global technology partners to expand the boundaries of clean technologies and deliver high-quality products and services that combine economic and environmental value.

Impact, Risk, and Opportunity Management

The Company actively expands the application of clean technologies in products, forming a diversified business layout covering new energy vehicles, photovoltaics, and green materials:

Applications in New Energy and Photovoltaics

The Company's products have been successfully applied by customers in downstream photovoltaic and electric vehicle sectors. At the same time, the Company has strengthened R&D investment in structural components for new energy batteries, aiming to become an industry leader in this field. It has also increased R&D efforts in photovoltaic inverters and invested in the development of portable energy storage devices to store surplus energy generated during peak production periods.

Green Material Innovation

The Company has successfully developed and promoted glass fiber structural components. Compared with traditional ceramic sintering processes, glass fiber materials significantly reduce energy consumption during production and offer superior recyclability compared to conventional plastics. These materials fully align with regulatory trends in regions such as the European Union regarding recyclable materials for electronic products, supporting consumer electronics brands in achieving sustainability targets.

Clean Production Processes

The Company actively promotes clean technology upgrades in manufacturing, including process innovations such as "reuse of post-treatment water in pre-treatment" and acid recovery in anodizing processes, significantly improving water utilization efficiency while reducing wastewater pollutant emissions.

Intelligent CNC and Green Anodizing Production Line

CNC machining and anodizing technologies are widely applied in the production of components for consumer electronics such as smartphones and smartwatches. CNC machining achieves micron-level precision, ensuring high fitting accuracy for components such as casings and buttons, while anodizing enhances durability and provides rich metallic finishes.

However, traditional CNC machining and anodizing processes involve significant environmental and social risks. On the one hand, traditional CNC machining relies heavily on manual operations. Employees not only operate potentially hazardous machinery during processing and material handling but are also exposed to dust. On the other hand, anodizing processes consume large amounts of water and chemicals such as phosphoric acid and sulfuric acid.

To address these challenges, LINGYI ITECH has committed to investing in industrial automation by equipping CNC workshops with Automated Guided Vehicles (AGVs) and robots to manage production processes in an orderly manner. AGVs automatically perform CNC loading and clamping tasks and, guided by data signals, remove processed products from machines. AGVs also handle tool replacement and recovery. Fixture loading and unloading, as well as tool replacement, are precisely managed under the production management system, significantly improving equipment utilization rates. In addition, the CNC intelligent workshop is equipped with a one-click measurement laboratory. Previously, each inspection machine required an operator for part measurement. With the upgraded one-click measurement technology, AGVs now replace operators in automatic loading and clamping, improving equipment utilization. After inspection, data are automatically transmitted to the production management system, where they are analyzed and used for automatic compensation of processing parameters, significantly reducing machine adjustment time and saving technical resources.

At the same time, extensive use of AGVs minimizes human exposure to hazardous substances. During material handling between production lines, AGVs automatically interface with loading and unloading equipment and, in coordination with robotic arms, transport anodized products from the anodizing line to automated loading and unloading lines. The entire anodizing production process has achieved automated loading, unloading, and transfer, ensuring higher product quality without manual intervention.

In terms of environmental management, fully automated anodizing production lines enable real-time monitoring of process formulations and recovery of chemicals and wastewater, achieving water conservation and energy savings through recycling systems. The production line has fully introduced systems such as APU sulfuric acid recovery and DPU + evaporator phosphoric acid recovery, which not only improve process parameter stability but also reduce acid consumption, lower production costs, and significantly reduce waste liquid discharge. The unmanned green anodizing workshop has established a comprehensive environmental management system. Through measures such as photovoltaic power generation and procurement of clean electricity, the Company effectively reduces its carbon footprint and fulfills its environmental responsibilities.

The integration of CNC intelligent workshops and green anodizing production lines simultaneously achieves environmental benefits, operational efficiency improvements, and enhanced workplace safety, establishing an efficient, low-carbon, safe, and controllable production system.



The Company has developed a number of clean technology achievements and applied for related patents, providing strong support for cleaner production and promoting the green development of the industry.

Technology type	Product type	Product description and benefits
Pollution Prevention and Control	Automatic Oblique Waste Discharge Device	Including a discharging mechanism, an oblique-to-straight conversion mechanism, and a collection roller, this device enables the automatic oblique discharge of waste materials, thereby improving the level of automation in waste discharge.
	Automatic Waste Removal Device and Die-cutting Equipment	By setting up a driving mechanism and multiple rotating shafts, with spiral blades arranged around the circumference of each shaft, the driving mechanism rotates the shafts around their respective axes, allowing waste materials to move along the guide chute and be discharged through the outlet. This enables highly efficient automatic waste removal without manual operation, thereby improving production efficiency and reducing safety risks.
New Energy Vehicle-related Products	New-type Aluminum Casing for Power Batteries	By arranging a stepped frame groove inside the aluminum casing, this design addresses the problem in conventional devices where the top cover and casing rely solely on a limiting structure for installation, resulting in average sealing and fastening performance. It creates an aluminum casing structure with good installation performance, high sealing capability, and light overall weight, thereby ensuring better installation between the top cover and the aluminum casing.
Industrial Automation Products/ Services	Composite AGV Transport Vehicle	The AGV transport vehicle consists of a vehicle body, handling device, material storage fixture, and driving device. The handling device includes a first connector, robotic arm, vision module, and two gripping assemblies, enabling loading and unloading operations without manual assistance and improving production efficiency.
	Anodizing Rack Loading and Unloading System	By setting up a material rack and a locking and unlocking mechanism, this system enables batch storage, locking, and unlocking of workpieces, facilitating batch reaction or processing and improving processing efficiency.
	Ultra Material-saving Die-cutting Process	By using five sequentially arranged processing stations, adopting an online lamination process, and using circular blades for online slitting, this process achieves a die-cutting feed margin of only 0.5 mm, further reducing material consumption in die-cutting feed, improving material utilization, and lowering costs.

Metrics and Targets

Target
In 2025, the Company's R&D investment in renewable energy-related and energy efficiency-related products amounted to RMB 49,408,300 .
In 2025, revenue from the Company's renewable energy-related and energy efficiency-related products amounted to RMB 3,966 million , representing an increase of 30.97% year-on-year.

Product Responsibilities and Customer Relations

Product Quality and Safety

LINGYI iTECH continues to improve its quality management system, optimize processes and standards, and enhance employees' quality awareness and professional capabilities through systematic training, thereby continuously improving its overall quality management standards.

Governance

LINGYI iTECH has established a Quality Center to coordinate quality management across the Group. We have formulated a series of internal systems, including the *Quality, HSPM Manual*², *Product Audit Management Guidelines*, *Continuous Improvement Procedure*, and *Supplier Management Procedures*, to ensure that products throughout the entire production cycle are subject to effective and comprehensive systematic quality control.

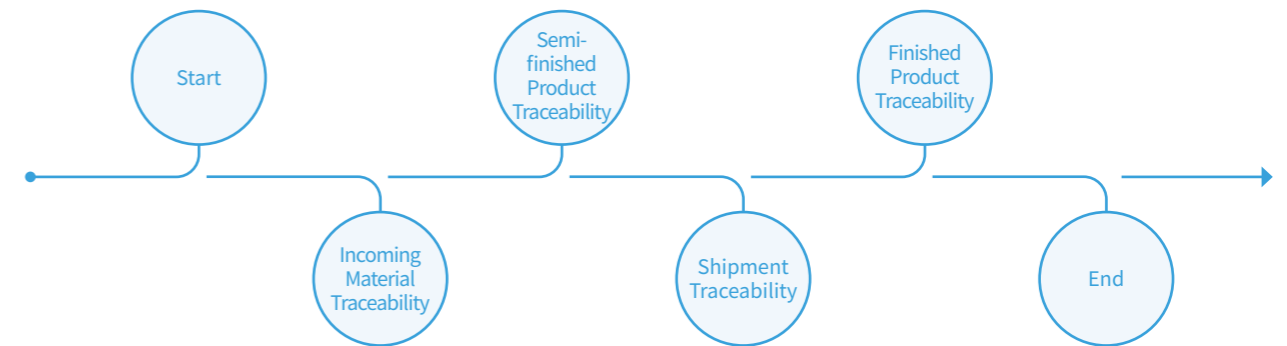
Impact, Risk, and Opportunity Management

Full-cycle Quality Management

We implement full lifecycle quality management in product manufacturing, covering all stages from product inspection and audit to non-conforming product handling, product traceability, and subsequent continuous improvement, and have established product recall procedures.

Product Inspection	In accordance with the <i>Inspection Control Procedures</i> and based on predetermined quality inspection standards and relevant production operating procedures, we conduct comprehensive monitoring and measurement of in-process and final products to ensure compliance with customer and regulatory requirements in terms of product quality and hazardous substance-free (HSF) requirements.
Product Audit	We have established the <i>Product Audit Management Guidelines</i> and the <i>Annual Product Audit Plan</i> , with a broad audit scope to ensure that every detail undergoes rigorous inspection. Each type of product undergoes at least one comprehensive audit every year. Where customers have special requirements, we flexibly adjust our approach and may conduct additional product audits to ensure product quality rigorously.
Handling of Non-conforming Products	We adopt a strict zero-tolerance approach to non-conforming products and follow the <i>Nonconforming Product Control Procedure for identification</i> , labelling, segregation, review, handling, and recording. The review team relies on its professional expertise to ensure fair and accurate reviews. The engineering and technical departments respond promptly and formulate improvement measures to address issues at their root cause, thereby ensuring continuous optimization of product quality.
Product Traceability	We have established the <i>Product Identification and Traceability Procedure</i> , clearly defining product identification and traceability processes to make products easy to identify and trace. Through this procedure, non-conforming products can be distinguished quickly and accurately, avoiding confusion with conforming products and preventing misuse.
Continuous Product Improvement	We have established the <i>Continuous Improvement Procedure</i> , using internal and external audits, data analysis, corrective and preventive actions, and management review to accurately identify needs and opportunities for improvement in the quality management system, thereby ensuring that the system remains appropriate, adequate, and effective.

² HSPM stands for Hazardous Substance Process Management



LINGYI iTECH Product Traceability Information Chain

Deployment of the QMS Quality Management System to Enhance the Group's Digital Quality Control Capabilities

To address issues such as scattered quality data across plants, inconsistent data standards, and difficulty in traceability, the Company fully deployed a Quality Management System (QMS) during the Reporting Period. By establishing a unified digital management platform, it achieved standardized and online management of core quality processes, including Incoming Quality Control (IQC), In-process Quality Control (IPQC), Outgoing Quality Control (OQC), Material Review Board (MRB), and Measurement Management System (MMS), ensuring that quality data are authentic, traceable, and tamper-proof. At the same time, relying on the system's intelligent workflow mechanism, the Company significantly improved the response speed to quality abnormalities and the efficiency of closed-loop handling, effectively reducing the risk of defective products.

Product Quality and Safety Assessment

LINGYI iTECH continues to strengthen its quality and safety assessment capabilities, promoting closed-loop rectification of quality issues and improvement in process yield. During the Reporting Period, the Group's Quality Center carried out the following key work:

- Continuously advanced the "9883" special quality improvement campaign, which covered 11 BGs and 55 subsidiaries, promoted ramp-up for 666 components, and improved yield by 5%;
- In 2025, a total of 827 external audits were completed, of which audits by new customers accounted for 8%, representing an increase of 28% compared with 2024.

In addition, the Company invites qualified third-party institutions each year to conduct external audits, proactively identifying potential defects and enhancing its capabilities in risk prevention and response.

Lean Production

We continuously optimize lean principles, promoting the integration of lean production with automation and IT, and placing emphasis on the application of Single-Minute Exchange of Dies (SMED) and flexible manufacturing. To support these developments, we have formulated a talent development strategy for lean production, aiming to train 500 professionals annually in fields such as lean production, automation, the Internet of Things, and intelligent manufacturing, thereby supporting production upgrades and providing essential talent for the implementation of the Factory Ultra upgrade pathway.

Lean Development of the Vietnam Super Factory

To enhance efficiency and flexibility under a multi-variety, small-batch production model, the Vietnam Super Factory has systematically advanced lean development through value stream optimization, layout restructuring, intelligent logistics, and rapid changeover, achieving phased results.

- **Value Stream (VSM) Optimization:** Delivery cycle was reduced from 3.9 days to 1.8 days; value-added ratio increased from 0.83% to 1.15%.
- **Layout Optimization:** Completion of the first phase of layout planning and construction increased space utilization from 60.2% to 86.9%, and reduced logistics distance by 57%.
- **Introduction of Intelligent Logistics:** Reduced handling personnel by 10 and increased material turnover rate by 100%.
- **SMED Implementation:** Stamping changeover time was reduced from 86.2 minutes to 9.68 minutes, significantly improving changeover efficiency and production line flexibility.
- **Capability Building:** Completion of the Vietnam lean training center and implementation of on-site training, with a total of 30 personnel trained and 3 certified instructors (including 2 Vietnamese), strengthening localized lean promotion capabilities.

Lean Manufacturing Training and Closed-loop Improvement Projects

The Lean Manufacturing training programs organized jointly with our customer integrates annual improvement targets with value stream diagnostics, forming a Critical to Quality (CTQ) implementation mechanism. A total of over 5,680 tier-three improvement projects were completed across all plants.

The overall CTQ achievement rate reached 100%, and the overall achievement rate for improvement value reached 116%. A total of 121 participants attended external lean training, generating over 500 improvement projects; internal lean training certified 43 instructors and provided training to over 8,600 participants.



Topic-based Training Sessions



Lean Workshop

Quality Empowerment

The Company places great emphasis on the development of quality management talent. Through internal training programs and external learning opportunities, it continues to expand its pool of Six Sigma Belt-certified personnel, VDA auditors³ and other specialists, while also carrying out themed initiatives such as "Quality Month" to strengthen a quality-driven culture across the workforce, thereby providing strong support for the continuous optimization of its quality management system.

LINGYI iTECH Launches Group-wide "Quality Month" to Strengthen Quality Foundations

From September to November 2025, the Group Quality Center led the rollout of Quality Month activities across the entire Group. All plants simultaneously implemented initiatives such as targeted improvement campaigns, skills competitions, thematic training, and formal pledges, focusing on the core objectives of enhancing quality awareness and strengthening process control, thereby building a robust quality foundation for the Company.



Shenzhen Salcomp Quality Month Activities

LINGYI iTECH Awarded National-level Quality Honours

1 Three Projects of LINGYI iTECH Were Awarded National Level Six Sigma "Professional" Certification, Demonstrating Strong Capabilities in Quality Management

On June 21, the "Quality Innovation and Improvement Achievement Exchange Series – Six Sigma Management", organized by the China Association for Quality, concluded successfully in Guiyang. All three Black Belt projects submitted by LINGYI iTECH were awarded "Professional" certification, highlighting the Company's leading strength in quality management and innovation.



Quality Innovation and Improvement Achievement Exchange Series – Six Sigma Management

2 LINGYI iTECH Was Awarded National-level QC Achievements, Promoting Quality Innovation and Sustainable Development

From April 16 to 18, the China Association for Quality held the "2025 China Quality Innovation and Quality Improvement Achievement Exchange Series – QC Group (Phase I)". LINGYI iTECH received national-level recognition for quality control achievements at this event, demonstrating the team's outstanding performance in quality innovation.



2025 China Quality Innovation and Quality Improvement Achievement Exchange Series – QC Group (Phase I)

³ VDA refers to the Verband der Automobilindustrie (German Association of the Automotive Industry). A VDA auditor is a professional qualified to conduct audits of enterprises in accordance with the quality standards established by the association.

Strategy

We will establish and continuously optimize a "highly resilient world-class quality management system" as the core foundation and strategic driver for the Company's long-term development. By defining and implementing quality standards that exceed industry benchmarks, we aim to drive technological innovation, customer loyalty, and operational excellence, striving to become a globally outstanding enterprise with quality as its core competitive advantage.

Guided by this strategy, we uphold the quality policy of "customer satisfaction as the focus, quality first as the priority; technological innovation as the core, and continuous improvement as the commitment", providing customers with reliable products and services.

Metrics and Targets

During the Reporting Period, the Company conducted various quality training activities as follows:

Training category	Indicators	Unit	Data
Six Sigma Training	Training hours	hours	18,932
	Number of participants	no.	361
	Number of participations	person-times	3,240
	Number of training sessions	no.	59
Quality Tools Application Training	Training hours	hours	3,030
	Number of participants	no.	548
	Number of participations	person-times	1,504
	Number of training sessions	no.	35
Summary of Quality Management Training	Number of knowledge dissemination activities (e.g. DingTalk notifications)	no.	80

As of the end of the Reporting Period, the relevant entities of LINGYI iTECH had obtained the following quality management system certifications:

<p>A total of 43 entities obtained ISO 9001 Quality Management System certification</p>	<p>A total of 20 entities obtained IATF 16949 Automotive Quality Management System certification, covering all relevant production entities</p>
<p>A total of 3 entities obtained ISO 13485 Medical Devices Quality Management System certification, covering all relevant production entities</p>	<p>A total of 20 entities obtained QC080000 Hazardous Substance Process Management System certification, covering all relevant production entities</p>

During the Reporting Period, none of the products sold or delivered by LINGYI iTECH were subject to recall due to safety or health reasons.

Customer Service Management

LINGYI iTECH continuously enhances service quality by focusing on customer needs through customer satisfaction management, complaint handling, and responsible marketing.

Governance

The Company has established a Business Department to coordinate customer service management. Through the formulation of systems and procedures related to customer satisfaction management, customer complaint handling, and responsible marketing, we standardize customer communication and service processes, continuously improving service quality and customer satisfaction.

Impact, Risk, and Opportunity Management

Customer Satisfaction Management

Customer satisfaction is key to our long-term growth. Built on the Customer Satisfaction Monitoring Procedures, we have adopted a systematic evaluation mechanism. We regularly collect and analyze customer feedback from daily communication, track satisfaction trends, and provide support for operational decision-making and management optimization. At the same time, we attach great importance to and promptly respond to customer opinions and suggestions, incorporating them into service and quality improvement to continuously enhance service capabilities through iterative and lean management approaches.

In 2025, we conducted two customer satisfaction surveys, achieving a satisfaction score of 95.4.

LINGYI iTECH Customer Satisfaction Monitoring Procedures	
Planning and Confirmation of Satisfaction Survey	<ul style="list-style-type: none"> Customer satisfaction surveys must be conducted at least once every six months, covering all customers with formally delivered projects The <i>Customer Satisfaction Survey List</i> must be approved by the Customer Service Manager or a higher-ranking official. Survey content includes: technical capability, product quality (appearance, functionality and performance, packaging methods, HSF control capability and performance), delivery timeliness, satisfaction with complaint handling, transportation methods, sales service, and customer service
Issuance of Survey Questionnaires	<ul style="list-style-type: none"> The Delivery Management Center distributes the <i>Customer Satisfaction Survey Form</i> to customers based on the <i>Customer Satisfaction Survey List</i> and explains the purpose, requirements, and response timeline
Collection of Survey Questionnaires	<ul style="list-style-type: none"> The Delivery Management Center is responsible for collecting <i>Customer Satisfaction Survey Form</i> and following up with non-responding customers to ensure timely return For automotive customers, additional statistics such as the <i>Customer Satisfaction Internal Performance Statistics Form</i> and customer scores (if applicable) are required to demonstrate compliance with customer requirements on product quality and process efficiency Validity of Customer Satisfaction Data: Unreturned questionnaires are excluded from statistics. Required return rates: $\geq 80\%$ for non-automotive customers and 100% for automotive customers
Statistical Analysis of Survey Results	<ul style="list-style-type: none"> Customer satisfaction is classified into five levels: very satisfied (90–100), satisfied (80–89), average (60–79), dissatisfied (40–59), and very dissatisfied (below 40) Final survey results are analyzed by the Delivery Management Center and compiled into the <i>Customer Satisfaction Survey Analysis Report</i>
Improvement Tracking	<ul style="list-style-type: none"> The Delivery Management Center follows up on improvement effectiveness. In accordance with the <i>Corrective and Preventive Action Control Procedures</i>, <i>Corrective and Preventive Action Reports</i> are issued to relevant responsible departments. These departments must respond with improvement measures and timelines and implement improvements. If requirements are not met, new reports are issued until compliance is achieved

Customer Complaint Handling

LINGYI iTECH has established multiple communication channels, including telephone, email, fax, DingTalk, and WeChat, to ensure that customer feedback and complaints are addressed promptly and effectively. In accordance with the *Customer Complaint Handling Procedures*, we have established a standardized process to record, analyze, and track each complaint, and to implement timely corrective and preventive measures. Through the Quality Management System (QMS), we have achieved full-process digital management of customer complaints, ensuring responses to feedback, tracking of processes, and verification of outcomes.

LINGYI iTECH Customer Complaint Handling Procedures	
Receipt and Confirmation of Complaint Information	<ul style="list-style-type: none"> Upon receiving a customer complaint, information is communicated to all relevant departments within one hour, with the Quality Engineering (QE) Department leading the handling process Confirm completeness of complaint information; if incomplete, contact the relevant customer or sales personnel to obtain missing details Determine whether the complaint is valid; if not, notify the business department and provide a reasonable explanation. In cases of dispute or upon customer request, the quality department shall conduct on-site verification at the customer's premises
Implementation of Emergency Measures	<ul style="list-style-type: none"> Within four hours, relevant departments organize emergency measures to investigate materials at different stages (e.g. raw materials, work-in-progress, inventory, in transit, and at customer sites) Based on preliminary findings, departments such as engineering and production discuss handling plans for inventory, including containment measures such as segregation of defective products and production adjustments, and notify relevant departments If customer production is affected, the sales, customer service, and quality departments coordinate with the customer to implement temporary measures
Root Cause Analysis and Countermeasures	<ul style="list-style-type: none"> Relevant departments conduct root cause analysis and formulate short-term and long-term corrective measures If issues arise from outsourced processes or raw materials, suppliers or subcontractors must provide emergency measures within four hours and submit a handling report within two working days
Response to Complaint Report	<ul style="list-style-type: none"> A formal complaint report must be completed within five days after confirmation of complaint information If the response time is exceeded due to special circumstances, an explanation must be provided to the customer
Effectiveness Tracking	<ul style="list-style-type: none"> Relevant departments track the implementation of improvement measures, and cases are closed upon verification of effectiveness Measures are deemed effective if no complaints occur for three consecutive batches of the same material or within two months of delivery The Quality Manager makes the final confirmation on the closure status of each complaint
Regular Analysis	<ul style="list-style-type: none"> The Quality Manager regularly collects and analyzes customer complaints, conducts cross-analysis of similar products, summarizes lessons learned, and optimizes relevant procedures and documents accordingly Customer complaint information is included as an input item in monthly director meetings and management review meetings

Quality Service and Responsible Marketing

LINGYI iTECH strictly complies with the *Advertisement Law of the People's Republic of China* and adheres to a principle of integrity and responsible marketing. We firmly prohibit any false, exaggerated, or misleading promotion, ensuring that all external communications are truthful, accurate, and verifiable, thereby effectively protecting consumer rights and interests.

During the Reporting Period, the Group did not receive any consumer complaints or legal disputes arising from promotional content.

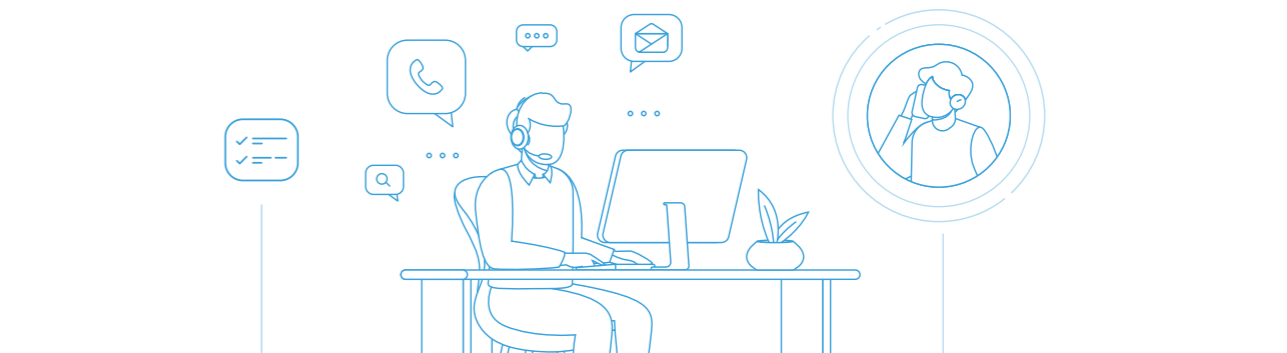
Strategy

LINGYI iTECH adheres to responsible marketing principles, regularly conducts customer satisfaction surveys, and through refined management, accurately understands customer needs, continuously improves customer complaint handling mechanisms, ensures efficient resolution of customer issues, and continuously enhances service quality. We also strictly comply with privacy protection requirements, making every effort to safeguard customer privacy and ensure comprehensive protection of customer rights and interests.

Metrics and Targets

During the Reporting Period, the Company achieved a 100% resolution rate for customer complaints, ensuring full closed-loop management of complaints. The number of complaints received regarding products and services is as follows:

Indicators	Unit	Data
Number of complaints received regarding products or services	no.	239
Number of complaints resolved regarding products or services	no.	239



Environmental Stewardship: Climate, Resources and Nature

LINGYI iTECH delivers on its commitment to environmental stewardship by continually refining the environmental management system to strengthen control over emissions and waste, and to facilitate resource recycling. We also regard climate change response as decisive to advancing ecological civilization and achieving high-quality development. By promoting cleaner production and efficient energy management, we are making strides in the low-carbon and green transition across our global operations.



Related Topics

- Energy Management
- Water Management
- Wastewater Management
- Exhaust Gas Management
- Climate Change and Greenhouse Gas
- Waste Management
- Chemicals Management
- Circular Economy
- Ecosystem and Biodiversity Protection

SDG Alignment



Environmental Management

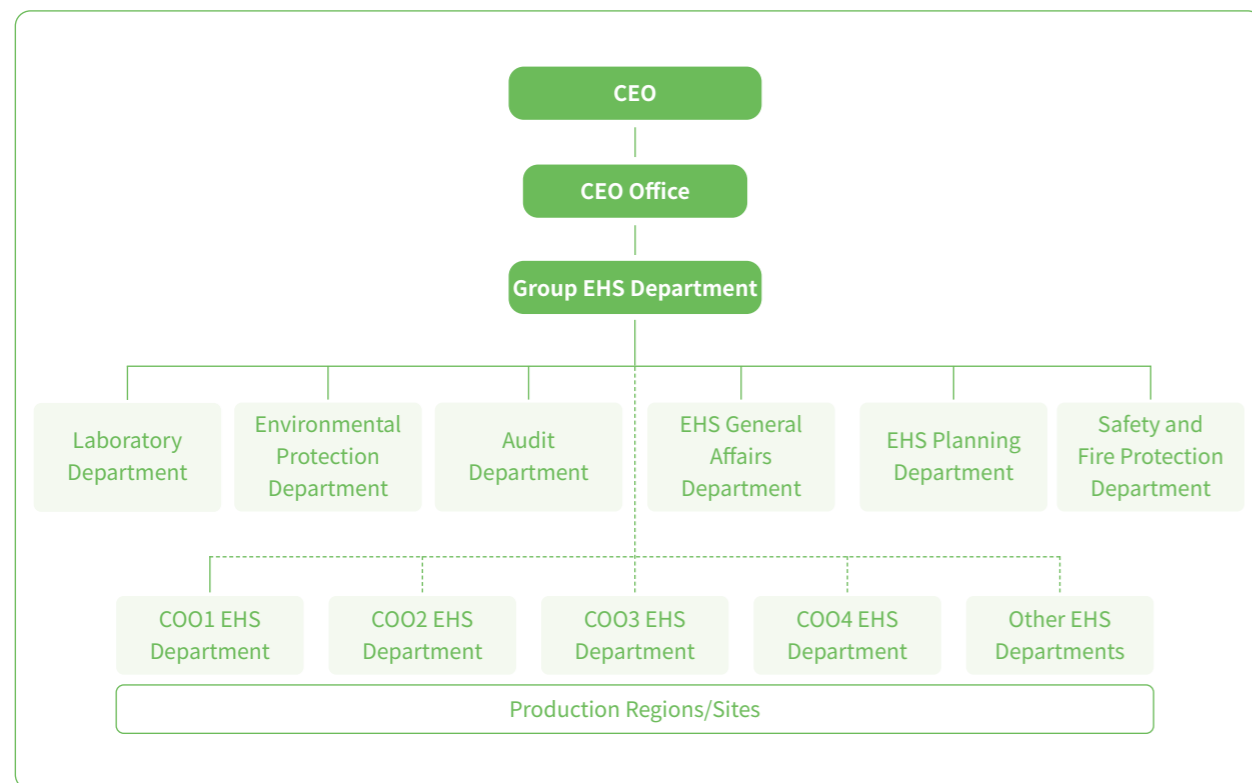
Guided by the environmental management policy of "protecting the environment and jointly building a green ecological home", LINGYI ITECH continuously enhances its environmental management standards.

Environmental Management System

We have established the *EHS Organizational Structure and Position Responsibilities* and the *EHS Responsibility Assessment Management Procedures*, clearly defining the Group's environmental management structure and responsibilities at each position. The EHS organizational structure follows the principle of Group-level coordination and supervision, with COO-level and subsidiary-level implementation oversight, enabling systematic management of environmental topics such as emissions, waste, and chemicals management.

We have established an integrated management system: the Group has set up an EHS Department, centrally managed by the Director of the President's Office and reporting directly to the Chairwoman (concurrently CEO). The Group EHS Department is responsible for supervising environmental protection, occupational health, and safety matters across the Group, conducting regular and ad hoc EHS audits, and providing technical support and professional training. Each COO and production site is equipped with a dedicated EHS team, directly managed by the respective subsidiary's General Manager of Operations. Guided by the Group's EHS system documents, COO-level EHS departments support and assist production regions/sites in establishing and improving EHS management systems, ensuring that all operating units implement EHS management requirements and targets. Overseas subsidiaries establish dedicated EHS teams in accordance with local regulations and business scale, under the direct leadership of their respective General Managers of Operations, fully responsible for environmental, occupational health and safety management.

In addition, the Group EHS Department, as an important member of the Social Responsibility Committee, collaborates to promote and sustain continuous improvement in the Company's ESG performance.



Among the five divisions under Group EHS, the specific EHS management model at each site is as follows:

General Manager of Operations	Fully responsible for EHS-compliant operations, system development, training, and resource assurance; coordinates emergency management, risk control, and rectification of hazards; promptly reports and handles EHS incidents; implements pollution prevention measures; and fulfills statutory EHS responsibilities.
Group EHS Department	Responsible for improving and promoting EHS management systems; formulating training plans and communicating regulatory requirements; setting and cascading EHS KPI targets and conducting assessments; organizing internal audits and supervising rectification of issues to ensure major risks are effectively addressed; providing technical support to sites; building and maintaining information platforms and optimizing approval processes; coordinating incident management and case sharing; supervising risk rectification, emergency drills, and compliance of pollutant emissions; and strictly controlling major incidents and penalties.
EHS Management Committee	The first person responsible for EHS within the department, fully accountable for departmental EHS work; participates in analyzing major EHS issues at the factory level, formulates solutions, and coordinates EHS management across departments.
Factory EHS Department	Assists factory operational leaders in improving EHS systems, emergency plans, and training; implements inspections, hazard rectification, and KPI tracking; supervises the "Three Simultaneities" requirements for new, modified, and expanded projects; promotes the dual prevention mechanism; leads rectification following internal and external audits; supervises waste emissions; cooperates with Group EHS platforms, training, and inspections; provides relevant data; and fulfills statutory EHS responsibilities.

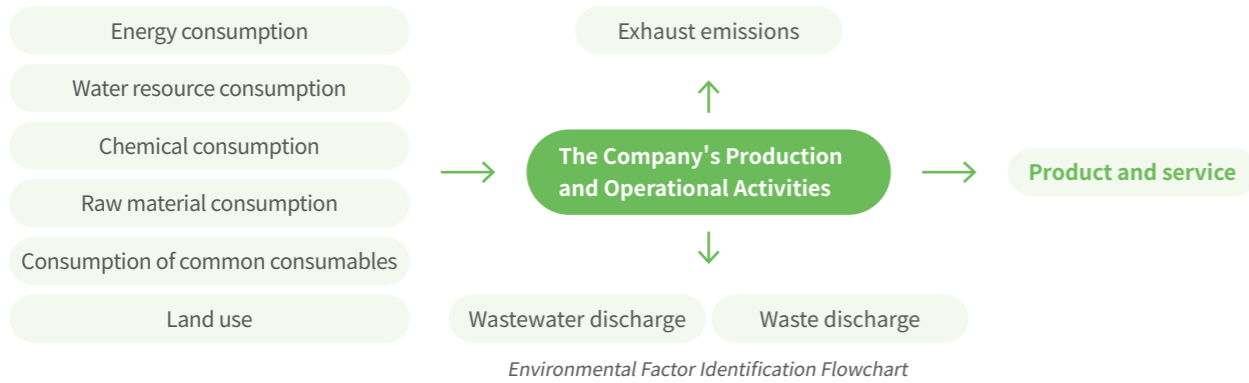
Environmental Compliance Management

LINGYI ITECH has established the *Management Procedures for Laws and Regulations, Other Requirements and Compliance Evaluation* to ensure the effective implementation of applicable EHS regulations, including national and local environmental protection laws such as the *Environmental Protection Law of the People's Republic of China*. At the same time, we have developed multiple internal policy documents to continuously strengthen environmental management and actively fulfill our primary responsibility for environmental protection.

Environmental Factor Assessment and Control

We have established the *Environmental Factor Identification, Assessment and Control Management Procedures*, conducting environmental aspect identification and evaluation annually, as well as ad hoc assessments prior to the commencement and operation of construction projects or when otherwise required. The process is as follows:

Environmental Factory Identification	Each department in the factory is responsible for identifying and screening environmental factors within its scope and completing the Environmental Factor Identification and Assessment List. The Factory EHS Department is responsible for consolidating and reviewing the environmental aspects submitted by each department.
Evaluation and Scoring	A comprehensive evaluation is conducted based on four dimensions—frequency of occurrence, duration of impact, scope of impact, and severity of impact—and cumulative scoring is carried out based on the assessment results.
Training and Inspection	Each factory organizes employee training to ensure a thorough understanding of relevant requirements and to clarify responsibilities and obligations in environmental management. Through routine EHS inspections, we ensure that environmental impact factors comply with established standards and requirements.
Key Management and Tracking	For environmental factors identified as significant, we establish specific environmental objectives, indicators, and management plans, and regularly track their management status to prevent environmental non-compliance incidents.



Environmental Monitoring

In accordance with regulations such as the *Regulation on the Administration of Pollutant Discharge Permits*, we have established the *Online Monitoring Management Procedures*. Based on actual conditions, we conduct regular environmental monitoring, track pollutant emissions, and promptly disclose monitoring results, thereby accepting supervision from regulatory authorities and the public. To meet daily data monitoring needs, the Company has established a dedicated environmental testing laboratory in South China. We also engage qualified third-party organizations to maintain environmental online monitoring systems, ensuring timely and effective data collection. These third parties regularly participate in the Company's environmental monitoring activities.

Environmental Emergency Response

We have established the *Emergency Preparedness and Response Management Procedures*. By defining the emergency organizational structure and responsibilities at each site, preparing emergency plans, formulating emergency support measures, and regularly conducting emergency drills and training, we ensure that in the event of environmental emergencies, response actions can be executed promptly and effectively, followed by appropriate recovery measures.

As of the end of the Reporting Period, among LINGYI iTECH and its subsidiaries:

A total of 36 entities obtained ISO 14001 Environmental Management System certification	Ls City Technology (Jiangsu) Co., Ltd. was awarded the title of "National Green Factory"
Lingyu Technology (Suzhou) Co., Ltd. was awarded the title of "Provincial Green Factory of Jiangsu Province"	Zhengzhou Led Technology Co., Ltd. was awarded the title of "Provincial Green Factory of Henan Province"
During the Reporting Period, LINGYI iTECH did not incur any major administrative penalties or criminal liabilities due to pollutant or waste emissions.	

Environmental Awareness Promotion

LINGYI iTECH has issued the *LINGYI EHS Guidelines*, providing all employees with clear and practical EHS guidance, focusing on ensuring workplace safety and health, reducing environmental impact, and ensuring continuous compliance with applicable EHS laws, regulations, and standards.

In terms of environmental awareness promotion, we conduct regular monthly training on the interpretation of laws and regulations and periodically disseminate relevant information. Through internal communication platforms, we continuously publish management requirements to ensure effective implementation of environmental protection measures. Environmental training adopts a targeted and tiered approach. The Group EHS Department organizes specialized training for relevant departments based on the latest environmental management requirements, strengthening compliance awareness and execution capabilities in key positions.

World Environment Day Activities to Enhance Environmental Awareness through Learning Competitions

On World Environment Day, the Company organizes environmental knowledge competitions with gifts for the top performers, using a "learning through competition" approach to strengthen environmental awareness among all employees. The competition question bank focuses on key topics such as environmental compliance and pollution prevention. Conducted through "online learning + online assessment", it attracted over 700 employees, further enhancing their understanding and execution of environmental requirements.



2025 World Environment Day Online Environmental Knowledge Competition Training

In office operations, LINGYI iTECH promotes environmental protection practices across multiple dimensions, including equipment upgrades, awareness campaigns, and regular inspections, striving to integrate environmental protection concepts into every aspect of daily operations.



Green Office Initiatives

The Company has established the *7S Management Measures*⁴, formed 7S teams, and conducts regular inspections to check the shutdown status of equipment such as lighting, air conditioning, and projectors.

We promote paperless office practices, implement electronic approvals and online meetings, and optimize printing management by setting printers to default black-and-white double-sided printing.

Sensor-based water-saving taps have been installed in restrooms to reduce water wastage.

In employee commuting and logistics transportation, conventional fuel vehicles have been replaced with new energy vehicles.

Energy-efficient equipment, such as LED lighting and energy-saving air conditioning, has been implemented in offices and canteens, and outdated equipment has been replaced.

Energy-saving slogans are displayed in offices to remind employees to conserve water and electricity.

Daily monitoring and inspection of water and electricity consumption in office areas are conducted to promptly identify and rectify anomalies, preventing resource waste.

High-energy-consuming kitchen stoves in canteens have been replaced with low-nitrogen energy-saving stoves, and gas pipelines have been equipped with intelligent gas leakage alarms and flow monitoring devices to reduce energy waste.

Air conditioning temperature settings are reasonably controlled, with temperatures not lower than 26° C in summer and not higher than 20° C in winter.

⁴ 7S refers to a workplace management methodology comprising Sort, Set in Order, Shine, standardize, Sustain, Safety, and Saving

Pollution Prevention and Circular Economy

Pollutant Management

LINGYI ITECH strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, as well as pollutant discharge requirements in all operating locations. We have formulated internal systems and procedures, including the *Pollutant Control Management Procedures*, *Waste Gas Treatment Operation Guidelines*, and *Wastewater Treatment Operation Guidelines*, to strengthen the management of emissions of waste gas, wastewater, and noise, as well as the control of groundwater and soil environmental quality.

Exhaust Gas Management

We equip production sites with ventilation facilities in accordance with regulations and properly treat waste gas generated during production processes.

In 2025, we conducted comprehensive audits of waste gas treatment facilities across the Group to further reduce the risk of abnormal emissions. Environmental monitoring results of surrounding areas indicated that all indicators at waste gas treatment outlets complied with national standards, achieving compliant emissions and causing no significant negative impact on employees or surrounding communities.

Exhaust Gas Management Measures

Safety-compliant Design

Waste gas treatment facilities at sites must meet relevant safety design requirements.

Improvement of Collection Efficiency

Priority is given to measures such as equipment and workplace enclosure and process optimization to enhance waste gas collection efficiency and reduce fugitive emissions.

Control of Dust and Fugitive Emissions

Measures such as enclosure, containment, covering, cleaning, and water spraying are adopted in material storage, transfer, and handling processes to reduce dust and gaseous pollutant dispersion.

Standardized Monitoring Conditions

Standard sampling ports are installed at the inlet and outlet of treatment facilities, along with sampling platforms, to ensure convenient and standardized monitoring.

Bypass and Emergency Emission Control

Opening of bypasses is prohibited in principle; where necessary for maintenance or fault handling, approval must be obtained from ecological and environmental authorities before activation. It is strictly prohibited to evade regulatory requirements through temporary production suspension, unnecessary activation of emergency emission channels, or abnormal operation of treatment facilities.

Operation and Maintenance Assurance

Routine inspections and periodic maintenance are strengthened; reagents are replenished regularly in accordance with process requirements to ensure stable operation of facilities. Ancillary facilities such as guardrails, stairs, and supports are also subject to regular inspection and maintenance.

Exhaust Gas Management Program

In 2025, three subsidiaries of LINGYI ITECH participated in the Clean Air Program, reducing volatile organic compounds (VOCs) emissions and improving treatment efficiency through process optimization and material substitution. From 2023 to 2025, the project achieved a cumulative VOCs emission reduction of approximately 171.7 tonnes.

Exhaust Gas Management Targets

Target	Progress
The Company plans to introduce the <i>Technical Management Procedures for Waste Gas Engineering Design</i> in 2026 to promote standardization and normalization of waste gas engineering construction, ensuring effective implementation of safety protection measures for treatment facilities.	Under development
The Company plans to promote the development of a waste gas intelligent management platform in 2026 to achieve digital management, standardize inspection and maintenance content and frequency across sites, and improve record-keeping and supporting documentation to ensure stable and effective operation of facilities.	Waste Gas Intelligent Platform under development

Wastewater Management

The Company's wastewater mainly originates from domestic sewage and industrial wastewater generated during production processes. The Company has established wastewater discharge management procedures, regularly updates the wastewater discharge inventory, and entrusts the EHS Department to identify and manage potential risks related to wastewater discharge in accordance with the *EHS Hazard Identification and Control Management Procedures*. In 2025, a comprehensive assessment confirmed stable operation of wastewater treatment facilities. Rainwater, domestic sewage, and industrial wastewater were all tested by third parties and discharged in compliance with standards.

Wastewater Management Measures

Rainwater Management

The *Rainwater Management Procedures* have been established, implementing the separation of rainwater and sewage and ensuring long-term maintenance of rainwater drainage networks. Initial rainwater (first 15–30 minutes) is directed into initial rainwater tanks, while subsequent rainwater is discharged into rainwater pipelines. Rainwater valves are normally closed, and controllable valves are installed at discharge outlets to enable interception in case of accidents. Hazardous waste is strictly prohibited from being stored in open areas to prevent accidental leakage or entry of rainwater into the external environment.

Domestic Sewage Management

Managed in accordance with environmental impact assessment requirements and approvals. After treatment through sewage stations, septic tanks, or grease traps, effluent is discharged into municipal sewage pipelines upon meeting standards.

Industrial Wastewater Management

Routine inspections and maintenance of wastewater treatment facilities are strengthened, and secondary containment is established around intermediate tanks and storage tanks. Mixed discharge of wastewater is prohibited. Wastewater treatment areas are kept clean, with removal of unrelated items such as debris, hoses, fire hoses, and submersible pumps, and dismantling of unrelated pipelines. Mechanical Vapor Recompression (MVR) evaporation technology is used to treat high-concentration wastewater, improving treatment efficiency.

Wastewater Management Program

LINGYI iTECH continues to promote the upgrading and transformation of wastewater treatment facilities:

Phase II Water Station Upgrade at Dongguan Lingyi Precision Manufacturing Technology Co., Ltd.: A dedicated task force was established to conduct on-site inspections and sampling analysis, evaluate and implement upgrading measures, and coordinate operations. Following improvements, the peak secondary biological treatment capacity increased by 700 m³/d, treatment efficiency improved by 41.17%, and total treatment capacity reached 2,400 m³/d.

Wastewater management goals

Target	Progress
Continuously carry out the wastewater reduction project	In progress
Establish membrane equipment selection standards for wastewater treatment stations to enable lifecycle monitoring and evaluation of membrane equipment	Standards under development

Noise Management

We commission qualified third parties annually to conduct boundary noise monitoring. Where noise exceeds standards, corrective measures such as sound insulation and isolation are implemented immediately until compliance is achieved. High-noise equipment is subject to focused management and noise reduction measures, while employees are required to properly wear personal protective equipment such as earplugs, continuously advancing noise control. Noise emissions complied with standards during the year.

Noise Management Measures

Source Control

Priority is given to low-noise equipment; vibration isolation and damping measures are implemented during installation.

Process Noise Reduction

Process optimization is used to reduce noise generated from impact, cutting, and vibration, and vibration suppression measures are applied to reduce transmission.

Spatial Isolation

Following the principle of "separating dynamic and static areas with rational layout", noisy and non-noisy areas are segregated; soundproof enclosures and acoustic rooms are used for key equipment without affecting production.

End-of-pipe Treatment

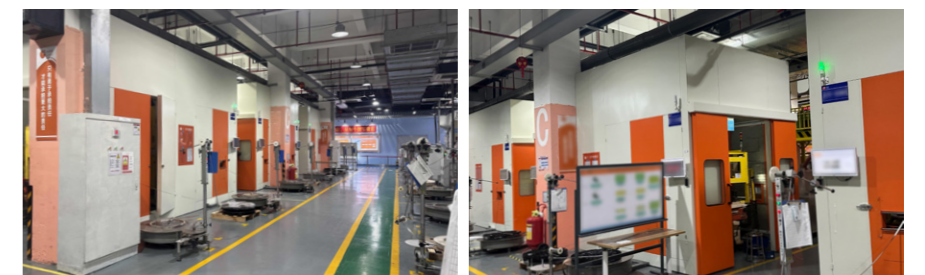
Noise reduction devices are installed as needed for sources that cannot be replaced or isolated.

Operation and Maintenance and Labor Protection

Regular maintenance reduces abnormal noise; work and rest schedules are arranged to avoid prolonged exposure of employees to high-noise environments.

Noise Management Program

We actively promote the installation of soundproofing facilities for high-noise equipment across sites. In 2025, Suzhou Lingyu Electronic Technology Co., Ltd. installed six sets of sound insulation facilities on high-noise stamping equipment, further reducing noise impact.



Overview of Sound Insulation Facilities

Waste Management

LINGYI TECH strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Circular Economy Promotion Law of the People's Republic of China*, and the *Measures for the Administration of Hazardous Waste Business Permits*, as well as waste disposal requirements in operating locations. The Company has formulated internal systems such as the Solid Waste Management Procedure to standardize full-process management of solid waste and hazardous waste.

Management of Hazardous and Non-hazardous Waste

The Company's hazardous and non-hazardous waste mainly originates from chemicals, organic waste, waste liquids, paper, and office waste. We implement the *Solid Waste Management Procedure* to regulate the entire process of waste generation, collection, storage, transportation and disposal. During the Reporting Period, the disposal of both hazardous and non-hazardous waste complied with relevant regulations and internal management requirements, achieving a 100% compliant disposal rate.

Waste Management Measures

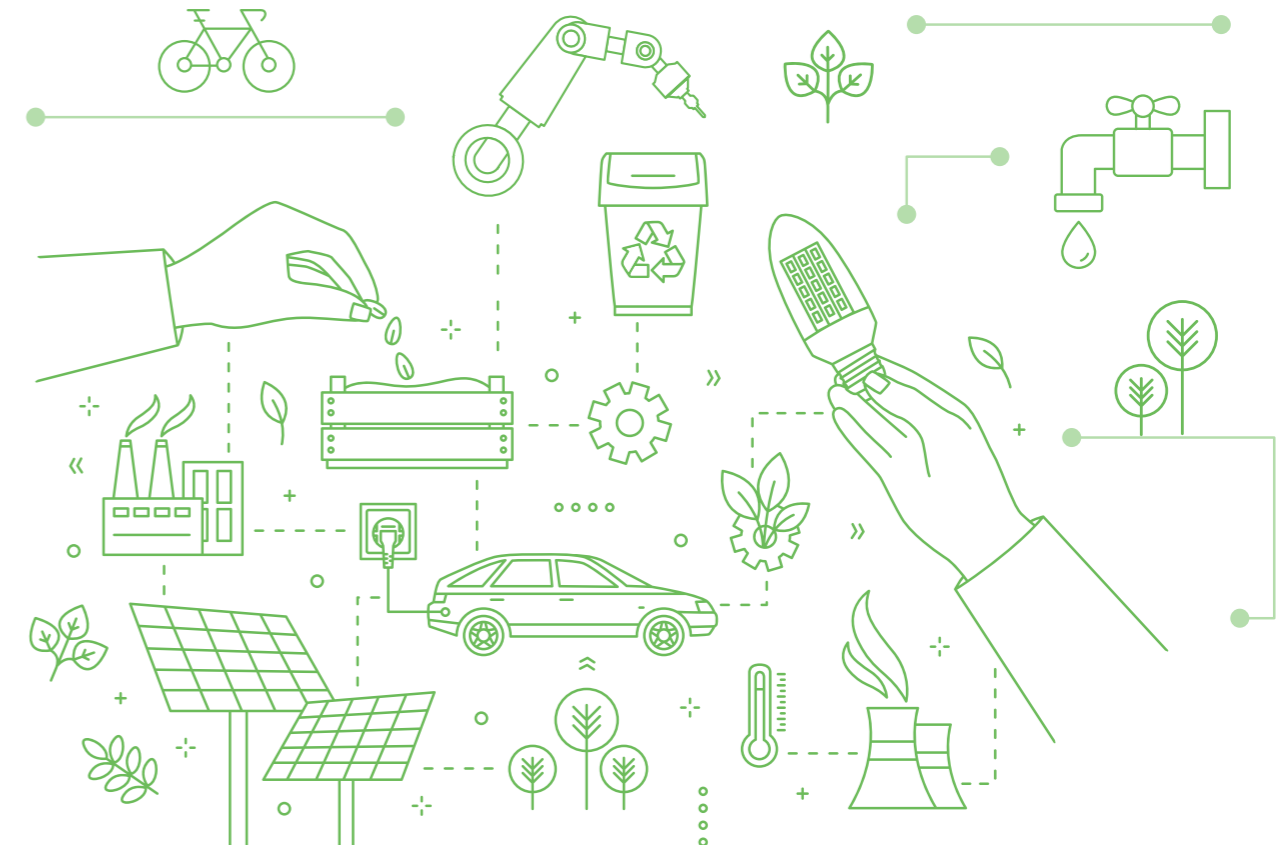
Generation and Collection	<p>Source Control: Priority is given to substituting toxic materials with non-toxic alternatives and high-toxicity materials with low-toxicity alternatives, thereby reducing the generation of hazardous substances at source;</p> <p>Reduction and Utilization: Annual solid waste reduction plans are formulated, and resource utilization of solid waste is promoted where economically and technically feasible;</p> <p>Collection and Registration: Solid waste is sorted and collected by the generating departments and packaged in accordance with standards, with waste inventories updated quarterly. For registration, general industrial solid waste is handled by the Administration Department, while hazardous waste is managed by the EHS Department, with the Waste Inbound and Outbound Registration Form completed.</p>
Storage	<p>Storage Requirements: Measures such as protection against wind, sunlight, rain, leakage, seepage, and corrosion are implemented, and open-air storage is prohibited. Hazardous waste storage facilities that may generate dust, VOCs, or acid mist are equipped with waste gas collection and purification systems, with exhaust stacks complying with the Integrated Emission Standard of Air Pollutants (GB 16297);</p> <p>Containers and Anti-seepage: Hazardous waste containers and packaging meet requirements for seepage prevention, leakage prevention, corrosion resistance, and structural strength, with compatible materials.</p>
Transfer and Disposal	<p>Qualification Review: Qualifications of hazardous waste disposal contractors are reviewed. At least two qualification reviews of disposal contractors are conducted annually, and hazardous waste transportation is tracked at least twice per year;</p> <p>Hazardous Waste Transfer: Hazardous waste management plans are formulated and dynamically updated, clearly defining types, quantities/weights, and flows to ensure completeness and prevent mixing of hazardous waste from different legal entities;</p> <p>Transfer and Disposal of Other Waste: General industrial solid waste, domestic waste, and construction waste are managed by the Administration Department; food waste is handled by qualified service providers;</p> <p>Records and Reporting: Hazardous waste ledgers are established, and information on generation, flow, storage, and disposal is reported through national systems. Transfer manifests are archived and retained for the required period.</p>

Waste Management Program

In 2025, a total of 19 sites participated in the Zero Waste Program (ZWP), aiming to achieve resource transformation of waste through reduction, recycling, biomass utilization, and other non-incineration methods, thereby promoting zero landfill targets. During the Reporting Period, 13 sites achieved a waste conversion rate exceeding 90%, of which four sites obtained UL 2799 certification. In addition, seven sites participated in customer-led waste reduction innovation projects, achieving an annual waste reduction of approximately 5,300 tonnes through on-site recycling and closed-loop recovery.

Waste Management Targets

Target	Progress
Achieved zero environmental pollution incidents, continuously advancing the principles of reduction, resource utilization, and harmless treatment, and maintaining a 100% compliance rate in waste management.	Target Met



Circular Economy

LINGYI ITECH adopts the 3R principles of Reduce, Reuse, and Recycle throughout product design, production operations, and resource management, promoting closed-loop resource circulation and continuously improving resource utilization efficiency and environmental performance.



Reduce

The Company has developed technologies such as nested cutting processes and material-saving routing processes to improve material utilization and reduce the consumption of auxiliary materials such as cleaning liquids, oils, and coolants, thereby achieving efficient utilization of resources and energy. At the same time, we have introduced advanced technologies and equipment to optimize anodizing processes. Upon completion of the Anodizing 5.0 project, it is expected to reduce sulfuric acid consumption by 75%, phosphoric acid by 82%, and water usage by 75%.

Reuse

The Company has upgraded and modified tools, molds, fixtures, and pallets to enable reuse of various equipment, reducing resource waste and demand for new materials.

Reusable pallets originally used for product turnover were prone to edge damage after long-term use. Following evaluation and optimization, we developed turnover brackets made from injection molding scrap materials and introduced them into structural component circulation. These brackets can be reused continuously by replacing the base positioning, reducing packaging material consumption and associated risks. At the end of the product lifecycle, the base positioning components can be crushed and recycled, achieving circular utilization.

To address die-cutting mold replacement needs, we have introduced 3D printing technology: mold bases are recovered, original blades are removed, and new blades are printed and precision-processed to meet dimensional and appearance requirements. This significantly improves material utilization, shortens processing cycles, and further reduces resource consumption.

Recycle

The Company actively implements recycling principles by recovering PET plastics, process materials, water, oil, and chemicals, effectively classifying and transforming waste to reduce environmental burden. For waste transported off-site, we explore and adopt various conversion methods, including recycling, power generation, anaerobic digestion, biofuel production, and composting, to maximize resource utilization.

During the Reporting Period, the Pinghu site implemented several key initiatives in PET material recycling:

PET Roll Reuse

PET materials generated during die-cutting are collected and rewound after use and reused in production, with a cumulative reuse area of approximately 8.59 million m²

PET Recycling and Pelletizing

PET materials collected from workshops are centrally processed for pelletizing and reuse

Application of Recycled RPET Materials

The Company actively uses recycled RPET materials, with approximately 123 tonnes utilized during the Reporting Period.



Promoting Closed-loop Management of Cutting Fluids and Regeneration of CNC⁵ Tools to Enhance Resource Circularity

To implement the principles of reduction, resource utilization, and harmless treatment, Shengxiang Precision Metal (Dongguan) Co. Ltd. systematically advanced two key initiatives in 2025—full-process closed-loop management of cutting fluids and regeneration of CNC tools—thereby establishing a resource circulation system within processing operations.

- 1 Closed-loop Management of Cutting Fluids**
 - Waste oil recovery, purification and reuse:** A centrifugal separation system is introduced to purify waste CNC cutting fluids. Metal debris is removed through centrifugal separation and sedimentation filtration, and the purified oil is reused in rough machining processes or as supplementary lubrication oil for equipment. In 2025, a total of 8.33 tonnes of waste cutting fluid were treated and reused.
 - Oil mist purification and recovery to reduce consumption:** For processing oil mist, a centralized electrostatic oil mist purification system is installed. Through two-stage treatment of "mechanical filtration + electrostatic adsorption", oil mist is captured and condensed for recovery. Primary recovered oil is directly reused in machine tools, while secondary recovered oil is used in non-precision lubrication scenarios. In 2025, a total of 63.77 tonnes of cutting fluid were recovered.
- 2 CNC Tool Regeneration System**
 - A closed-loop mechanism of "recovery—inspection and evaluation—remanufacturing—traceability management" has been established. Repairable tools undergo regrinding and coating treatment to restore performance. In 2025, the comprehensive reuse rate of CNC tools reached 6%, reducing procurement costs and solid waste generation.
- 3 Project Outcomes**
 - Economic benefits:** Approximately RMB450,000.00 was saved annually in new oil procurement and hazardous waste disposal costs; tool regeneration saved approximately RMB180,000.00 in procurement costs.
 - Environmental benefits:** Approximately 71 tonnes of hazardous waste were reduced, lowering reliance on virgin resources.
 - Management improvement:** A closed-loop management model of "use—recovery—regeneration—reuse" was established for processing operations, enhancing employees' awareness of resource conservation and compliant disposal.

⁵ CNC refers to Computer Numerical Control, a manufacturing method in which machine tools process materials such as metals and plastics through milling to produce precision components

Chemical Safety

LINGYI ITECH continues to strengthen full-process chemicals management, committing to reducing the potential adverse impacts of products on human health and the environment. High-risk or restricted substances are subject to list-based control and gradual phase-out, while process optimization and material substitution are used to reduce the intensity and dependence on chemical usage, thereby mitigating environmental and safety risks.

Full Lifecycle Management of Chemicals

In accordance with the *Chemicals Management Procedure*, LINGYI ITECH implements standardized full lifecycle management of chemicals, covering procurement, evaluation, storage, use, disposal, and emergency response, ensuring continuous compliance with applicable laws and regulations.

LINGYI ITECH Full Lifecycle Management of Chemicals

Procurement Stage

- Suppliers are required to provide relevant qualification documents and chemical information, and to sign environmental protection agreements. Chemicals are classified and evaluated before procurement is executed.
- For chemicals containing substances such as cadmium (Cd), lead (Pb), mercury (Hg), hexavalent chromium (Cr⁶⁺), polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDEs), and phthalates (DEHP/DBP/BBP/DIBP), relevant test reports must be provided to demonstrate compliance.

Evaluation Stage

- Hazardous substances in incoming materials, in-process products, and finished products are tested in accordance with X-ray fluorescence (XRF) analysis plans, and any HSF (Hazardous Substances Free) non-conformities are analyzed and addressed.
- The Company has established the *Chemical Verification Management Standards*, clearly defining verification processes across upstream, midstream, and downstream stages, ensuring traceability. Chemical source inspections are strengthened to ensure that all chemicals used comply with environmental standards such as the *Restriction of Hazardous Substances Directive* (RoHS), Halogen-free (HF) requirements, and the *Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH) Regulation.

Usage Stage

- The Group EHS Department compiles and summarizes the *Distribution and Protection Status of Hazardous Chemicals at Each Site*, covering all chemicals used across 26 sites to address compliance risks. Priority control is given to toxic, flammable, and oxidizing chemicals, with recommendations provided for appropriate protective equipment.
- All chemicals involved in products and services must be clearly labeled. Designated personnel are responsible for handling chemicals, and strict controls are implemented on quantities used.
- Material Safety Data Sheets (MSDS) must be available at usage sites, and personal protective equipment is provided in accordance with MSDS requirements, with regular inspections conducted.

Disposal

- Expired chemicals, unidentified chemicals due to missing labels, chemical residues, waste containers, and contaminated cloths must be properly classified by the responsible department and must not be mixed or disposed of arbitrarily.
- Disposal of chemical waste is carried out in accordance with the *Solid Waste Management Procedure*.

Emergency response

- The Company has established the *Emergency Preparedness and Response Management Procedures* and the *Fire Safety Management Procedures for Key Areas*, assigning dedicated personnel to handle chemical leakage incidents. Emergency response cards and contact information are prominently displayed at chemical storage and usage locations to ensure rapid response in emergencies and minimize pollution and losses.

New Product Design and Chemical Safety

The Company has established the *New Product Development Procedures*, requiring the reduction of potential health and environmental impacts during product design and assessing environmental and health risks through life-cycle evaluation.

During new product design, risk control standards, environmental impact assessment, and confirmation procedures are incorporated. Project management teams conduct early-stage analysis of project and product risks, including environmental compliance assessments, and develop risk mitigation measures to ensure compliance with environmental requirements. During prototype design, the Quality Department conducts environmental impact testing, including hazardous substance testing, and provides environmental data on raw materials to ensure product performance, applicability, and environmental compliance.

Chemical Restrictions and Phase-out

In accordance with the *Regulations on the Safety Management of Hazardous Chemicals*, RoHS, REACH, and other conventions, as well as applicable laws and statutory regulations in operating locations, the Company has comprehensively identified all chemicals in use and compiled the *Reference Standards for the List of Restricted Chemicals*, covering 12 categories and 972 restricted substances, implementing classified management and phase-out elimination plan of substances of concern. Among these, six chemicals—benzene, toluene, n-hexane, N-methylpyrrolidone, chlorinated solvents, and brominated solvents—are subject to strict control in production processes.

Reference Standard for Restricted Chemical Catalog

Standard Title		Management Requirements
1	List of Strictly Restricted Toxic Chemicals in China	Prohibited for Use
2	Catalog of First Batch Hazardous Chemicals for Priority Management	Full lifecycle supervision
3	Catalog of Second Batch Hazardous Chemicals for Priority Management	Full lifecycle supervision
4	Catalog of Specially Controlled Hazardous Chemicals (First Edition)	Full lifecycle supervision
5	Catalog of Priority Controlled Chemicals (First Batch)	Restricted Use, Substitution Encouraged
6	Catalog of Priority Controlled Chemicals (Second Batch)	Restricted Use, Substitution Encouraged
7	Catalog of Key Environmentally Managed Hazardous Chemicals	Full lifecycle supervision
8	Administrative Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products	Restricted Use, Substitution Encouraged
9	REACH Restricted Substances List	Prohibited/Restricted Use
10	List of Candidate Substances of High Concern under REACH	Substances with a concentration equal to or exceeding 0.1% must have their composition clearly disclosed and reported
11	Catalog of Priority Controlled Chemicals (Third Batch)	Restricted Use, Substitution Encouraged

Categories of Prohibited Substances

Category	Description of prohibition	Management requirements
Class I Prohibited Substances	Laws and Regulations	Prohibited for Use
Class II Prohibited Substances	Prohibited within specified regulatory timeframes	Restricted use, substitution encouraged Content restriction management Actively promote prohibition
	Restricted or prohibited by customer requirements	
	Proactively banned by the Company	
Class III Prohibited Substances	Potential future prohibition or restriction under regulations	Full lifecycle supervision

Following assessment, certain specific chemicals are restricted or prohibited in the following products and their manufacturing processes:

Product Materials (Restricted)	Restrictions apply to the use of chemicals such as cadmium, lead, fluorine compounds, chlorine, and bromine in products including batteries, insulation materials, and various chemical reagents.
Product Materials (Prohibited)	The use of chemicals such as polycyclic aromatic hydrocarbons, benzene, toluene, and hexabromocyclododecane in products including chemical reagents, coatings, and electronic equipment is prohibited.
Production Processes (Prohibited)	The use of chemicals such as benzene, chlorinated and brominated organic solvents, and n-hexane in cleaning agents, degreasers, and release agents is prohibited, and such substances are not intentionally used in other processes.

LINGYI iTECH continues to advance source reduction and viable substitution of hazardous substances by optimizing production processes and material structures, adopting environmentally friendly and safer materials to replace traditional chemicals, thereby reducing chemical usage risks at source. The Company adopts a proactive strategy in substituting high-concern substances, actively introducing feasible safer alternative materials and processes, with several initiatives implemented ahead of regulation.

All subsidiaries strictly comply with the *Chemicals Management Procedure* and the *Green Product Hazardous Substance Control Standards* of LINGYI iTECH, prioritizing the use of environmentally friendly materials with higher safety performance and compliance levels, and gradually replacing traditional high-concern chemical agents.

In 2025, the Company comprehensively advanced green substitution upgrades for high-concern chemicals in production processes that pose risks of reproductive toxicity, flammability and explosiveness, occupational health hazards, and environmental emissions. A total of six green chemical substitution initiatives were promoted across production bases, of which five have achieved 100% substitution, while one has completed the substitution plan and is scheduled for full replacement in 2026, further reducing environmental and occupational health and safety risks at source.

Target for 2025	Implementation Progress in 2025	Target for 2026
RC105 degreasing agent replaced with KP-DG105C environmentally friendly degreasing agent	replaced	/
Low flash point hydrocarbon cleaning agents replaced with high flash point hydrocarbon cleaning agents	replaced	/
Class B chemical cleaning agents replaced with lower-risk Class C chemical cleaning agents	replaced	/
Mesaclean cleaning agent replaced with environmentally friendly water-based cleaning agent	replaced	/
RTL-139 cleaning agent replaced with nitrogen-free ash remover-118	Replacement plan completed	Fully replaced

Efficient Resource Utilization

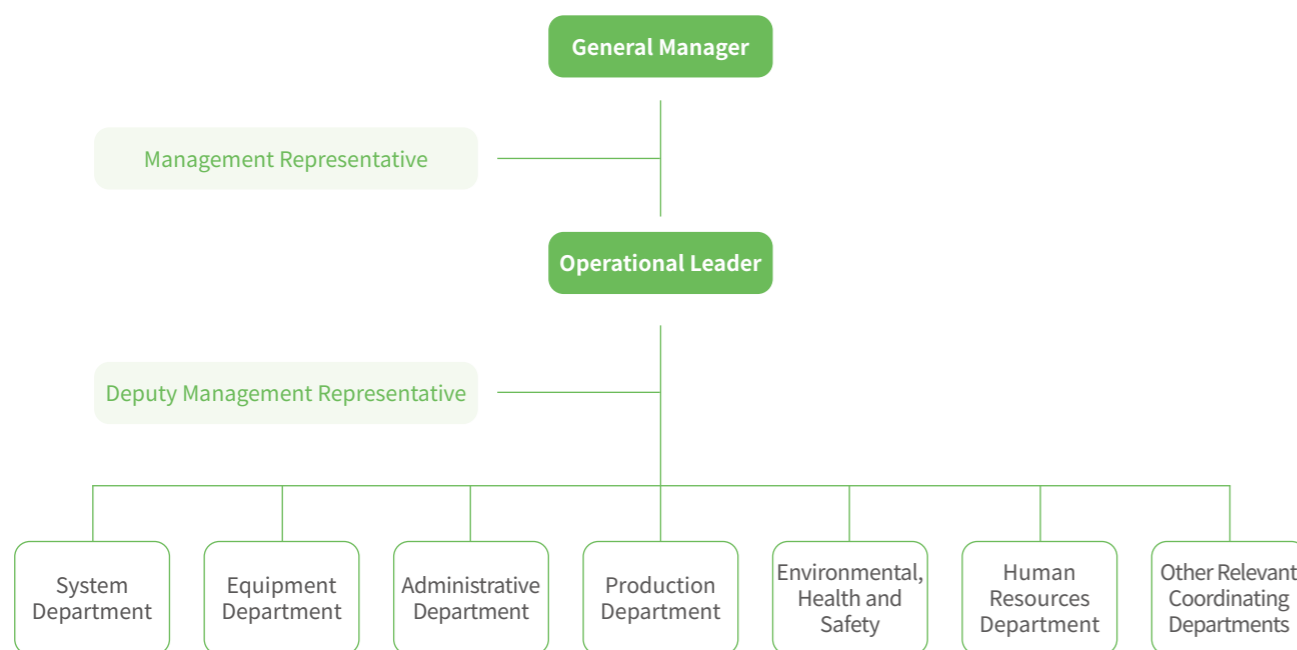
LINGYI iTECH places strong emphasis on the efficient utilization of resources and continuously promotes the implementation of energy-saving and emission reduction measures. By optimizing production management processes, we are committed to enhancing resource utilization efficiency across the entire business value chain.

Energy Management

Governance

LINGYI iTECH strictly complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Renewable Energy Law of the People's Republic of China*, as well as the ISO 50001:2018 Energy Management System standard. Guided by the core principles of "energy saving and consumption reduction, efficiency improvement, compliance with laws and regulations, and continuous improvement", we have established a systematic energy management system.

The Company has established a top-down energy management structure: with the General Manager as the highest decision-making authority, supported by management representatives and operational leaders. The management representative is responsible for overall system management and technological development, while the operational leader oversees daily operations. Together with deputy management representatives, they coordinate key business and functional departments—including the System Department, Equipment Department, Production Department, Human Resources Department, Administration Department, and EHS—to form a comprehensive management system covering strategic decision-making, system management, operational execution, and support functions.

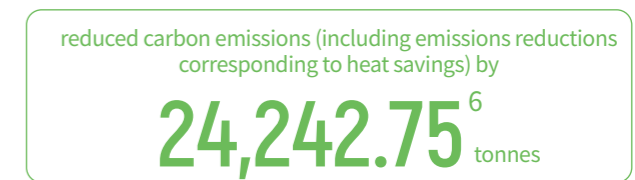
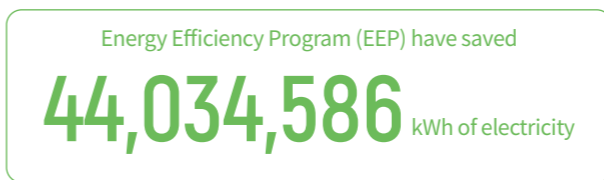


Impact, Risk, and Opportunity Management

Energy Conservation and Emission Reduction

LINGYI iTECH regularly identifies opportunities for energy efficiency improvements across five major energy-consuming modules—production electricity, gas supply systems, central air conditioning, workshop ventilation systems, and office and residential energy use. Through management optimization and technological innovation, we implement energy-saving transformations to effectively reduce energy consumption across the Company and its sites. We communicate energy policies and energy-saving knowledge to employees through various channels, including regular training sessions, notice boards, and internal emails.

As of the end of 2025,



Progress of LINGYI iTECH's Energy Efficiency Program in 2025

To continuously improve energy efficiency and reduce carbon intensity, LINGYI iTECH systematically advanced energy efficiency program in 2025 and achieved phased results.

Overall Target Achievement

As of December 31, 2025, 10 subsidiaries had achieved 100% completion of EEP targets, while four subsidiaries achieved completion rates of $\geq 90\%$ and five subsidiaries achieved $\geq 80\%$. From a system perspective, six subsidiaries achieved 100% completion of energy-saving and carbon reduction targets in lighting, air conditioning, and steam systems among the five major systems (lighting, air conditioning, steam, motors, and compressed air). Some overseas subsidiaries have also initiated energy efficiency program.

⁶ Based on the national average electricity emission factor of 0.5306 kgCO₂/kWh in 2023

LINGYI iTECH's overseas operating entities actively promote energy-saving and emission reduction initiatives, continuously reducing energy consumption and carbon emissions through energy management and efficiency improvements.

Salcomp Brazil

- Diesel generators are used only during power supply interruptions;
- Sensors and timer control systems are installed to optimize air conditioning operation time, and eight inverter air conditioners have been installed;
- Timers are installed in workshop lighting systems, with lighting automatically controlled based on shift schedules.

Steelmag International

- Energy efficiency upgrades have been carried out on electric kilns, improving production flexibility.



Salcomp India Advances Energy Efficiency Program

During the Reporting Period, Salcomp India systematically implemented energy-saving transformation projects, establishing an efficient energy utilization system.

1 Energy-saving Transformation and Intelligent Control Measures

Focusing on key energy-consuming equipment and systems, multiple energy efficiency improvement measures were implemented, including:

- Upgrading IE2 motors to high-efficiency IE4 motors to improve equipment energy efficiency;
- Installing Variable Frequency Drives (VFDs) on all water pumps to enable demand-based operation;
- Installing motion sensors in meeting rooms and restrooms to reduce unnecessary lighting usage;
- Setting timer controls for Air Handling Units (AHUs) and lighting circuits to reduce non-essential operating time;
- Using pressure sensors to enable automated control of water pumps, optimizing water supply flow;
- Using temperature sensors to control chilled water actuators, enabling intelligent regulation of AHU systems.

2 Project Outcomes

Salcomp India completed 80% of its planned energy efficiency measures and implemented six innovative energy-saving projects during the Reporting Period. These initiatives effectively reduced overall energy consumption while significantly improving operational efficiency, demonstrating the Company's continuous investment and practical achievements in energy conservation and environmental management.

Use of Clean Energy

LINGYI iTECH continues to promote energy structure transformation and steadily increases the proportion of clean energy usage. In terms of self-generation, the Company actively deploys rooftop photovoltaic projects across its sites and simultaneously promotes the construction of energy storage systems to enhance renewable energy consumption capacity and energy stability. For externally purchased electricity, the Company verifies renewable electricity usage through the procurement of green power certificates and International Renewable Energy Certificates (I-REC), while also exploring and advancing direct green power procurement models such as Power Purchase Agreements (PPA), thereby gradually increasing the proportion of green electricity procurement and promoting clean energy substitution and low-carbon operations.

In addition, LINGYI iTECH's overseas operating entities continue to promote the use of clean energy, steadily increasing the proportion of clean energy consumption.

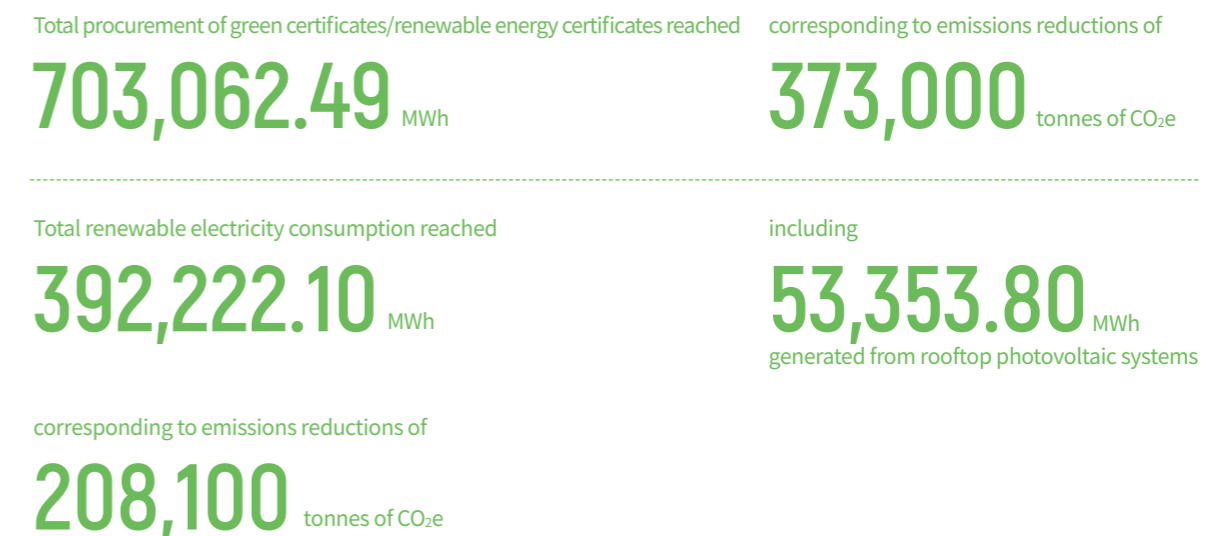
Salcomp Brazil

- During the Reporting Period, all energy consumed by the subsidiary Salcomp Brazil (12,252.65 MWh) was procured through the free market and sourced entirely from I-REC-certified clean energy.

Salcomp India

- During the Reporting Period, Salcomp India updated its clean energy management plan and continued to invest in the application of renewable energy. In 2025, wind power generation in the Salcomp India region reached 42,484 MWh, and photovoltaic power generation reached 4,892 MWh, totaling 47,376 MWh, representing an increase of over 55% year-on-year. In addition, Salcomp India utilized 55,030 MWh of externally purchased grid-connected green electricity/renewable energy and procured 25,039 MWh of International Renewable Energy Certificates (I-REC).

As of the end of 2025, across LINGYI iTECH and its subsidiaries:



Logistics Optimization

Leveraging its existing digital infrastructure, the Company initiated the construction of digital green and low-carbon factories in 2022. Centered on production orders and supported by big data integration and system interconnectivity, the Company integrates order demand with material supply, manufacturing, warehousing, and logistics. Through data-driven optimization of transportation routes and scheduling strategies, it reduces empty return rates, and by applying Internet of Things technologies, it monitors energy consumption in real time, dynamically optimizes energy use, and reduces fuel waste. At the same time, the Company continues to advance the low-carbon transformation of transportation by gradually replacing conventional vehicles and handling equipment with electric alternatives.

During the Reporting Period, the logistics department decommissioned 12 high-emission vehicles and replaced them with five new energy vehicles and six China VI low-emission vehicles. In 2025, new energy vehicles recorded a total mileage of 96,579 km. In addition, by consolidating shipments and improving loading efficiency, the empty return rate decreased from 23.76% in the previous year to 19.53%, reducing empty return trips by 1,630 and effectively lowering energy consumption and emissions in transportation.

Strategy

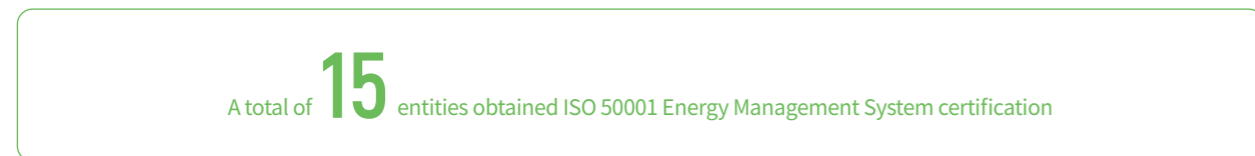
We have established a systematic energy management plan focusing on improving energy efficiency, optimizing energy structure, and substituting clean energy. Clear implementation pathways have been defined, and through the establishment of energy consumption monitoring mechanisms and performance evaluation systems, we continuously promote the improvement of energy management standards and the achievement of energy-saving and emission reduction targets.

LINGYI ITECH Energy Management Plan

Information Monitoring	We monitor, collect, and organize the latest information and developments in energy management through multiple channels, actively tracking industry trends and policy changes.
Performance Evaluation	We actively seek energy management partners and enter into strategic cooperation agreements, entrusting them to conduct comprehensive evaluations of the energy management performance of subsidiaries and produce assessment reports.
Planning Formulation	Based on assessment reports from energy management partners, we develop long-term energy management action plans, focusing on projects such as distributed solar power stations, energy storage facilities, and ice-storage central air conditioning systems.
Implementation and Tracking	The administration, equipment, plant management, operation management, business management, and finance departments actively participate in the plan. Supervision mechanisms are established for both process and outcomes, and through the promotion of pilot factories and demonstration projects, clean energy applications are scaled across the organization.

Metrics and Targets

As of the end of the Reporting Period, among LINGYI ITECH and its subsidiaries:



Water Resource Management

LINGYI ITECH strictly complies with the *Water Law of the People's Republic of China* and relevant laws and regulations in operating locations, continuously reducing the impact of its production and operations on water resources. Water used in production and daily operations is primarily sourced from municipal water supply systems and is mainly used for employee needs and auxiliary facilities such as cooling towers, boilers, and steam systems in manufacturing processes. As of the end of the Reporting Period, none of the Company's entities faced water withdrawal restrictions or water scarcity issues.



The subsidiary Salcomp Brazil conducted a water risk assessment using the Aqueduct Water Risk Atlas developed by the World Resources Institute. The results indicated no water scarcity risk at the Manaus, Amazonas site in Brazil.

Water Resource Management Measures

- Recycling and Reuse**
 Promote projects such as wastewater recycling, reclaimed water reuse, and concentrated water reuse. For example, Dongguan Lingbo Industrial Co., Ltd. operates a reclaimed water reuse system. During the Reporting Period, wastewater discharge amounted to 8,717 tonnes, with 8,369 tonnes reused, achieving a reuse rate of 96%, effectively reducing freshwater withdrawal and waste. Shengxiang Precision Metal (Dongguan) Co. Ltd. achieved annual savings of 2,059 tonnes of industrial water through reuse of overflow from automated cleaning lines.
- Production Reuse**
 Promote recycling of water used in production processes. Wastewater from powder processing workshops is treated in existing wastewater treatment facilities and fully reused in workshops; grinding water from grinding workshops is treated through sedimentation systems and reused in grinding processes.
- Discharge Control**
 Strengthen management of leaks and spills through regular inspections by EHS and related departments and closed-loop rectification. Internal wastewater treatment facilities ensure compliant discharge.
- Water Quality Assurance**
 Certain subsidiaries have installed purified water systems to ensure production water quality and have strengthened testing of domestic and drinking water to enhance water safety management.

Emergency Management

In response to risks such as river flooding, the Company has established the Rainwater Management Procedures, strengthened inspections during rainy seasons, implemented rainwater and wastewater separation, reduced the load on wastewater treatment facilities, and ensured stable compliance under extreme weather conditions.

Supervision and Continuous Improvement

The Company actively cooperates with regulatory inspections, strictly complies with wastewater discharge standards, maintains information transparency, dynamically tracks regulatory requirements, and continuously improves management performance through routine inspections and upgrades to environmental treatment systems.

Water-saving Training

The Company organizes training on water resource efficiency management to enhance employees' understanding and execution of water-saving technologies, water risk identification, and water efficiency improvement measures.

Water Resource Management Program

During the Reporting Period, seven subsidiaries participated in the Clean Water Program (CWP), of which four achieved 100% completion. Through this project, the Company systematically identifies water-related risks, strengthens assessment of water stress and water balance, gains deeper insight into water management performance, and accurately identifies future optimization directions and key areas for improvement.

Packaging and Raw Material Management

The Company primarily consumes packaging materials such as paper and plastics. Adhering to principles of environmental protection and resource conservation, the Company focuses on source reduction by optimizing packaging design and controlling material usage, minimizing excessive and unnecessary packaging, and reducing resource consumption.

In 2025, LINGYI iTECH consumed the following packaging materials:

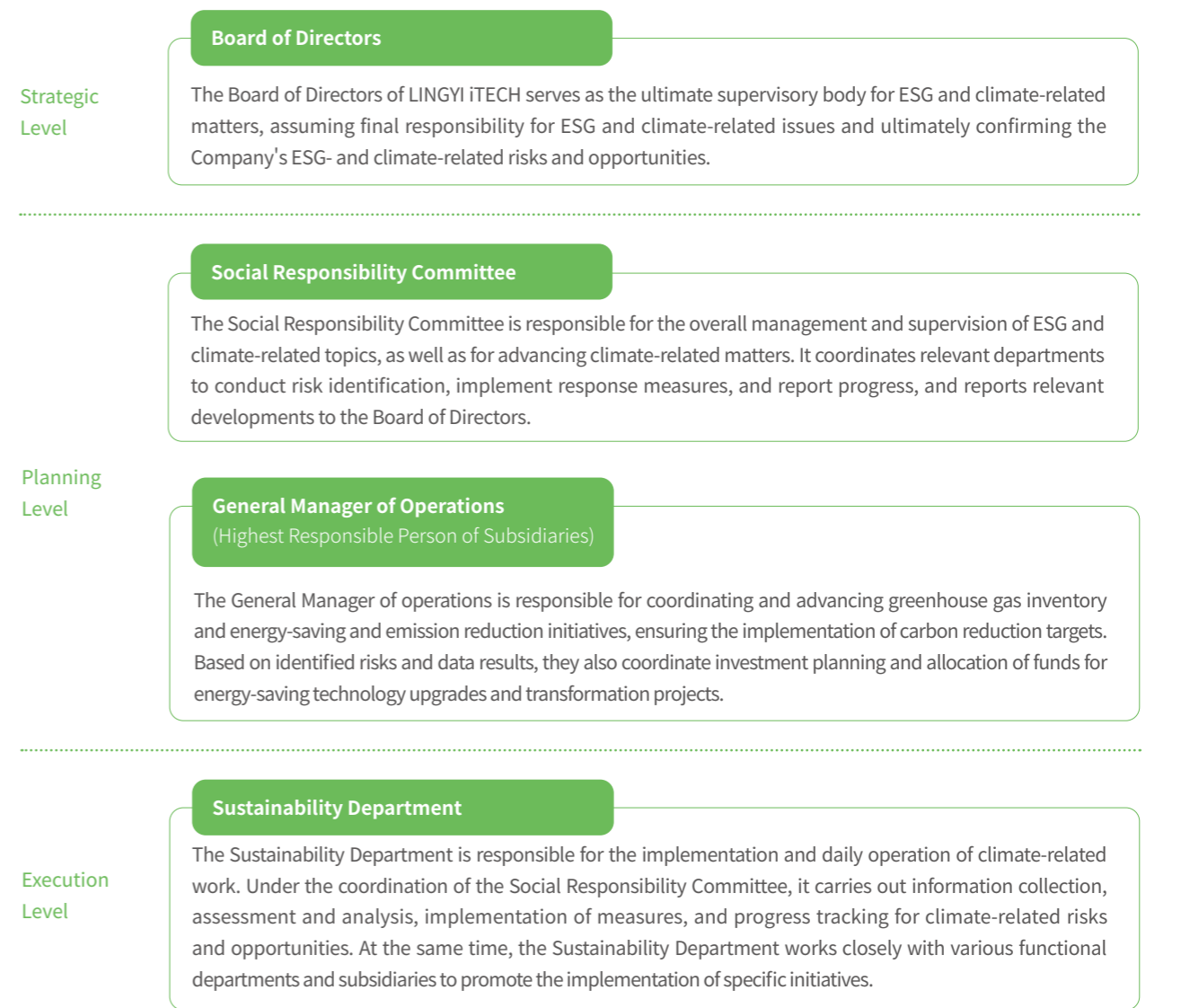


Responding to Climate Change

Responding to climate change has become an urgent global priority. According to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), rapid and deep emissions reductions, along with strengthened climate adaptation measures, are required to mitigate the risks and impacts of climate change. LINGYI iTECH actively responds to China's "dual carbon" strategy and climate targets in overseas operating locations, firmly fulfilling our climate responsibilities.

Governance

LINGYI iTECH's climate governance framework is built upon a robust and efficient ESG governance system, encompassing three levels: strategic level, planning level, and execution level. Through our ESG governance structure, we manage climate-related topics, identify climate-related risks and opportunities, and formulate corresponding response strategies.



Strategy

LINGYI iTECH prepares climate-related disclosures with reference to the SZSE *Sustainability Report Guidelines* and supporting guidance, Appendix C2 *Environmental, Social and Governance Reporting Code* of the Hong Kong Exchanges and Clearing Limited, and *IFRS S2 Climate-related Disclosures*. We identify physical risks, transition risks, and climate-related opportunities, and, in combination with business characteristics, assess their potential impacts on the Company and its value chain, formulating adaptation and mitigation measures accordingly.

Physical Risks

We conduct regional climate scenario analysis for identified physical risks. We adopt the Shared Socioeconomic Pathways SSP1-2.6 (low-emission scenario) and SSP5-8.5 (high-emission scenario) proposed in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6), and define two time horizons: short- to medium-term (2030) and long-term (2050).

We qualitatively assess the potential physical risk impacts under both high-emission and low-emission scenarios in 2030 and 2050 relative to the baseline year (2024), and evaluate potential business and financial impacts for physical risks with higher exposure. The baseline period represents current climate conditions, reflecting short-term potential climate risks, while 2030 and 2050 represent short- to medium-term and long-term potential climate risks, respectively.

Physical Risk Scenario Analysis: Shared Socioeconomic Pathways		
Scenario Name	SSP1-2.6 (Low-emission Scenario)	SSP5-8.5 (High-emission Scenario)
Scenario Description	Assumes that countries will reduce greenhouse gas emissions in accordance with the Paris Agreement, thereby limiting global warming to no more than 2.0° C above pre-industrial levels (1850) within this century and achieving sustainable development.	Assumes a business-as-usual scenario where countries do not implement greenhouse gas reduction measures. By 2100, carbon emissions reach three times the level of 2015, leading to a global temperature increase of approximately 4.4° C above pre-industrial levels by the end of the century, requiring countries to implement climate adaptation and mitigation measures.
Temperature Increase	Not exceeding 2.0° C	Approximately 4.4° C
Key Assumptions	Assumes that business operations, asset scale, and asset locations remain unchanged, analyzing only the physical risks faced by assets under each scenario. When analyzing the potential financial impact of physical risks on the Company, expected financial losses are used as the measurement basis.	

Overview of LINGYI iTECH Physical Risk Assessment

Physical risks	Degree of Risk Change Compared with Baseline Year			
	SSP1-2.6		SSP5-8.5	
	2030	2050	2030	2050
Heatwaves	Medium Risk	High Risk	High Risk	High Risk
Flooding	Medium Risk	High Risk	High Risk	High Risk
Typhoon	High Risk	High Risk	High Risk	High Risk
Rise of sea level	Low Risk	Low Risk	High Risk	High Risk

Risk Level Examples: Low Risk ● Medium Risk ● High Risk ●

Based on scenario analysis results, the high-risk physical risks faced by LINGYI iTECH include typhoons, heatwaves, floods, and sea-level rise, with risk exposure remaining within a reasonable estimated range. The Company has established a comprehensive set of management and adaptation measures and has strengthened their effectiveness through emergency drills and other means, giving us confidence that these risks can be controlled within an acceptable range. During the Reporting Period, LINGYI iTECH and its entities did not incur any significant financial losses due to extreme weather events.

LINGYI ITECH Physical Risk Impact Assessment Table

Type	Risk name	Time dimension	Impact on business	Effect on the value chain	Anticipated financial effect	Adaptation measures
Acute	Typhoon	Short- and medium-term	<ul style="list-style-type: none"> ○ Operational Disruptions: Strong winds and heavy rainfall caused by typhoons may lead to production suspension or reduced capacity at the Company's production bases in South China, affecting normal production schedules and delivery cycles. ○ Infrastructure Damage: Severe typhoons may cause structural damage to the Company's factories, warehouses, and office facilities, requiring emergency repairs and potentially leading to additional repair and reconstruction costs. ○ Employee Safety: Adverse weather conditions during typhoons may threaten employee safety, particularly for those in outdoor or high-risk positions, thereby affecting overall productivity. 	<ul style="list-style-type: none"> ○ Logistics and Transportation Disruptions: Typhoons may disrupt transportation networks, including ports, roads, and railways, causing supply chain interruptions and delays in the transportation and delivery of raw materials and finished products. 	<ul style="list-style-type: none"> ○ Repair and Downtime Costs: Production stoppages and facility repairs may result in additional maintenance costs and revenue losses due to operational disruptions. ○ Insurance Costs and Claims: Losses caused by typhoons may increase insurance claims, potentially leading to higher insurance premiums in the short term. ○ Increased Supply Chain Costs: Supply chain disruptions may lead to higher costs due to emergency procurement and expedited transportation. 	<ul style="list-style-type: none"> ○ Reinforce factory buildings, doors, windows, and roofs to enhance wind resistance. ○ Equip important equipment with protective devices or move them to a safe area, such as building protective sheds or setting up dedicated equipment storage rooms. ○ Conduct regular inspections of factory buildings and equipment to promptly identify and rectify potential safety hazards. ○ Develop contingency plans for typhoon events. ○ Establish backup sites or equipment for critical production processes. ○ Adopt flexible working arrangements, such as remote working, to ensure employees can continue certain tasks when unable to be on-site. ○ Communicate proactively with customers regarding potential impacts of typhoons, negotiate adjustments to delivery schedules, and minimize customer attrition.
Acute	Heatwaves	Short- and medium-term	<ul style="list-style-type: none"> ○ Employee Health: High temperatures may pose health risks to employees working outdoors or in non-air-conditioned environments, potentially increasing occupational injuries or health issues and affecting overall productivity. ○ Increased Energy Consumption: High temperatures increase the load on air conditioning and cooling systems, potentially leading to significant increases in energy consumption and operating costs. 	<ul style="list-style-type: none"> ○ Reduced Supplier Capacity: Suppliers in regions experiencing high temperatures may face reduced production capacity or shutdowns, potentially affecting raw material supply and production schedules. 	<ul style="list-style-type: none"> ○ Rising Operating Costs: Increased energy consumption and equipment maintenance requirements may result in higher operating costs, particularly due to increased electricity usage for cooling systems during high-temperature periods. 	<ul style="list-style-type: none"> ○ Adjust working hours to avoid peak temperature periods, such as midday, for outdoor or high-temperature operations; implement flexible working systems or reduce working hours. ○ Conduct regular maintenance of production equipment, check cooling systems, and promptly remove dust and debris. Upgrade aging equipment to improve heat dissipation performance; equip critical machinery with dedicated cooling systems; adjust production schedules based on equipment heat tolerance and operating conditions to avoid prolonged high-temperature operation. ○ Optimize the use of cooling equipment by adopting intelligent control systems to regulate temperature and operating time, thereby reducing energy consumption.

LINGYI ITECH Physical Risk Impact Assessment Table

Type	Risk name	Time dimension	Impact on business	Effect on the value chain	Anticipated financial effect	Adaptation measures
Acute	Flooding	Short- and medium-term	<ul style="list-style-type: none"> Damage to Production Facilities and Equipment: Flooding may inundate production bases located in low-lying areas or near rivers, affecting the normal operation of facilities and equipment and increasing repair and replacement costs. Production Interruptions and Delivery Delays: Floods may prevent factories from operating normally, causing production stoppages and delays in product delivery, thereby affecting agreed delivery timelines and overall sales performance. 	<ul style="list-style-type: none"> Supply Chain Disruptions: Flooding may affect suppliers and their production facilities, disrupting the supply of raw materials and components, and impacting production planning and operational continuity. Decline in Downstream Demand: Flooding may halt economic activities in affected regions, leading to reduced or delayed demand from downstream markets or customers. 	<ul style="list-style-type: none"> Repair and Reconstruction Costs: Damage to facilities and equipment caused by flooding may result in additional repair, restoration, or reconstruction expenses, increasing short-term capital expenditure. Revenue Losses and Cost Increases: Production interruptions and supply chain delays may lead to revenue losses, while logistics disruptions may increase costs due to emergency procurement and expedited transportation, affecting gross margins and overall profitability. 	<ul style="list-style-type: none"> Conduct comprehensive inspections of drainage systems, building structures, and equipment operations; promptly clear drainage pipelines; repair building defects; and maintain equipment. Stockpile emergency supplies such as sandbags, pumps, and waterproof materials to ensure rapid response during flood events. Closely monitor weather forecasts and promptly issue flood warnings to employees, providing travel safety guidance and assisting in route planning. Define clear emergency procedures for flood events, including personnel evacuation, equipment shutdown, and material relocation, ensuring clear responsibilities across departments and roles.
Chronic	Rise of sea level	Long term	<ul style="list-style-type: none"> Increased Risk of Damage to Coastal Facilities: Sea-level rise may threaten production bases located in coastal areas, particularly storage, production, and logistics facilities. In the long term, sea-level rise may lead to inundation or structural damage to facilities, requiring increased investment in repairs and protective measures. 	<ul style="list-style-type: none"> Supply Chain Disruptions and Transport Constraints: Sea-level rise may affect the normal operation of ports and coastal transport networks, potentially causing delays in logistics, raw material supply, and product delivery, thereby impacting supply chain stability. Increased Supplier Relocation Costs: Suppliers with facilities in coastal areas may face relocation or reinforcement costs due to sea-level rise risks, potentially affecting product pricing and delivery timelines. 	<ul style="list-style-type: none"> Increased Long-term Capital Expenditure: To address risks associated with sea-level rise, the Company may need to reinforce or relocate coastal production facilities and infrastructure, leading to increased long-term capital expenditure. Rising Supply Chain Costs and Margin Pressure: Logistics and transportation constraints may increase costs, while supplier relocation or reinforcement needs may drive up raw material prices, thereby affecting overall gross margins. 	<ul style="list-style-type: none"> Equip key areas such as warehouses and production workshops with flood barriers and sandbags; elevate critical equipment and raw materials or establish dedicated waterproof storage areas; regularly inspect drainage systems and flood control facilities, promptly clear pipelines, and repair damaged infrastructure. Formulate a comprehensive flood emergency plan, clearly defining the responsibilities of each department and the response procedures; establish connections with meteorological and water conservancy departments to promptly obtain accurate weather and water situation warning information, and make adequate preparations in advance. Install water level monitoring equipment at production sites to track changes in water levels in real time.

Transition risks

Transition risks arise from policy changes, technological innovation, and shifts in market preferences during the transition to a sustainable economy in response to climate change. We adopt the Net Zero 2050 scenario and the Nationally Determined Contributions (NDCs) scenario proposed by the Network for Greening the Financial System (NGFS), and define two time horizons: short- to medium-term (2030) and long-term (2050).

We qualitatively assess the potential transition risk impacts of policy changes, technological advancements, and market transitions in the 2030s and 2050s relative to the baseline year (2024), and conduct business and financial impact assessments for transition risks with higher exposure. The baseline period represents current climate conditions, reflecting short-term potential climate risks, while the 2030s and 2050s represent short- to medium-term and long-term potential climate risks.

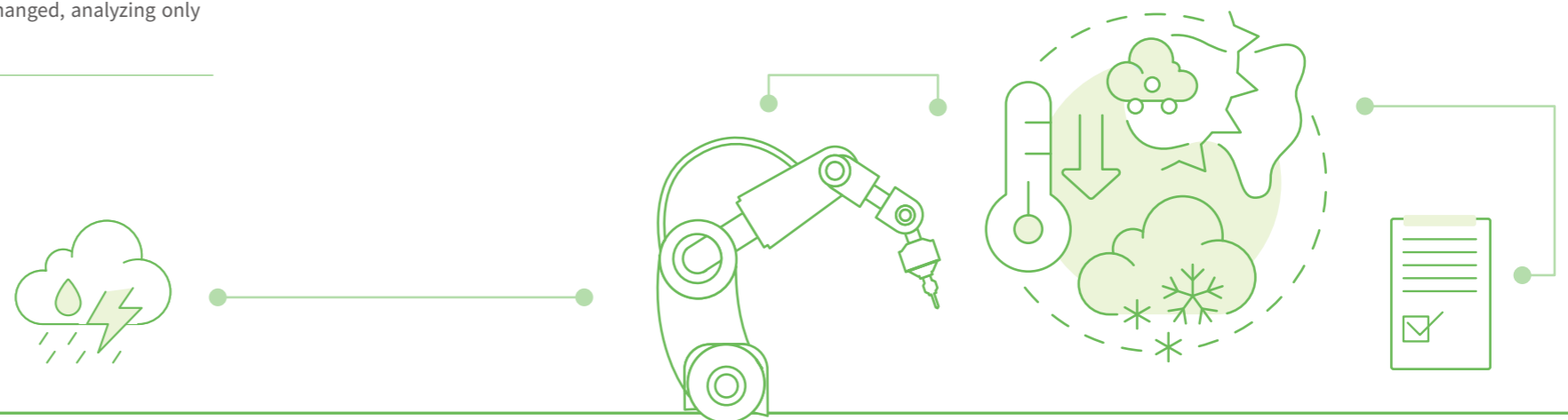
Transition Risk Scenario Analysis: NGFS Climate Scenarios		
Scenario Name	Net Zero 2050	Nationally Determined Contributions (NDCs)
Scenario Description	The Net Zero 2050 scenario assumes that stringent climate policies and innovation will limit global warming to within 1.5°C and achieve global net-zero carbon emissions around 2050. This scenario assumes the immediate implementation of ambitious climate policies. Carbon dioxide removal (CDR) technologies are used to accelerate the decarbonization process, but their deployment is kept to a minimum and broadly aligned with sustainable levels of bioenergy production. Net carbon dioxide emissions reach zero around 2050, resulting in at least a 50% probability of limiting global warming to within 1.5° C by the end of the century, with limited temperature overshoot beforehand (<0.2° C).	The Nationally Determined Contributions (NDCs) scenario includes all policies pledged by countries, even if not yet fully implemented. This scenario assumes that the moderate and heterogeneous climate ambitions reflected in conditional NDCs as of early 2024 will persist throughout the 21st century, resulting in relatively low transition risks. Emissions decline but still lead to approximately 2.3° C of warming, accompanied by moderate to severe physical risks. Transition risks are relatively low.
Policy Ambition	1.4°C	2.3°C
Key Assumptions	Assumes that business operations, asset scale, and asset locations remain unchanged, analyzing only the transition risks faced by the Company under each scenario.	

Overview of LINGYI iTECH Transition Risk Assessment

Transition risks	Degree of Risk Change Compared with Baseline Year			
	Net Zero 2050		NDCs	
	2030	2050	2030	2050
Energy Pressure	High Risk	Medium Risk	High Risk	High Risk
New Policies for Low-carbon Economic Transition	High Risk	High Risk	High Risk	High Risk
Energy Transition Policies	Medium Risk	Medium Risk	High Risk	High Risk
Carbon Market Price Fluctuations	High Risk	High Risk	High Risk	High Risk
Mandatory Regulatory Information Disclosure	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Raising Environmental Standards	High Risk	Medium Risk	High Risk	High Risk

Risk Level Examples: Low Risk ● Medium Risk ● High Risk ●

Based on scenario analysis results, the high-risk transition risks faced by LINGYI iTECH include energy pressure, new policies for low-carbon economic transition, energy transition policies, carbon market price fluctuations, and raising environmental standards. The Company has developed a comprehensive set of management and mitigation measures, giving us sufficient confidence to control these risks within an acceptable range.



LINGYI ITECH Transition Risk Impact Assessment Table

Type	Risk name	Time dimension	Impact on business	Effect on the value chain	Anticipated financial effect	Mitigation measures
Transition risks	Energy Pressure	Short- and medium-term	<ul style="list-style-type: none"> Rising Production Costs: Power rationing policies may require adjustments to working hours or reductions in production load, thereby increasing production costs. Reliance on backup power or alternative energy sources may lead to additional electricity procurement costs, affecting overall profitability. 	<ul style="list-style-type: none"> Supplier Production Constraints: Suppliers located in regions subject to power restrictions or energy shortages may face production limitations or shutdowns, resulting in delayed raw material supply and affecting the Company's production planning and operational continuity. 	<ul style="list-style-type: none"> Decline in Profit Margins: Rising energy costs and production interruptions may place pressure on profit margins, particularly under tight electricity supply conditions, potentially reducing short-term profitability. 	<ul style="list-style-type: none"> Closely monitor government power restriction policies and dynamically adjust production plans based on their timing and intensity. Optimize production scheduling by prioritizing high value-added and urgent orders to minimize the impact of production suspension or reduction. Equip appropriate capacity backup power sources based on production scale and electricity demand. Optimize inventory levels of raw materials, semi-finished products, and finished goods based on historical production data and market demand forecasts, establishing inventory buffers; Strengthen communication and coordination with upstream and downstream partners to share information on power restrictions and production adjustments.
	New Policies for Low-carbon Economic Transition	Short- and medium-term	<ul style="list-style-type: none"> Increased Compliance Costs: Stricter low-carbon transition policies may require increased investment in environmental protection facilities, energy efficiency improvements, and emission control measures to ensure compliance. Pressure for Business Transformation and Innovation: New policies drive low-carbon transition, requiring green innovation and transformation of products or services to meet evolving market demands. This may place pressure on existing business models and market strategies. 	<ul style="list-style-type: none"> Supplier Compliance Pressure: Policies promoting low-carbon technologies and clean energy use may impose compliance pressures on supply chain partners, particularly energy-intensive enterprises, increasing their operating costs and affecting product pricing and supply stability. 	<ul style="list-style-type: none"> Increased Short-term Capital Expenditure: Adapting to low-carbon transition policies may require increased investment in green technologies, clean energy equipment, and emission control facilities, potentially creating short-term financial pressure and affecting cash flow. 	<ul style="list-style-type: none"> Increase investment in green technologies and energy efficiency to ensure compliance with new low-carbon policies, reduce carbon emissions, and enhance competitiveness in environmentally conscious markets. Optimize existing production processes to improve energy efficiency and adopt more environmentally friendly production methods, thereby reducing emissions and compliance costs.
	Energy Transition Policies	Short-, medium- and long-term	<ul style="list-style-type: none"> Adjustment of Production Cost Structure: Energy transition policies promoting clean energy use may lead to fluctuations in traditional energy prices, affecting the Company's energy cost structure. Facility Upgrades and Technological Transformation Needs: Transition to clean energy requires modification of existing production facilities, increasing capital expenditure and potentially affecting short-term production capacity. 	<ul style="list-style-type: none"> Supply Chain Energy Structure Adjustment: Suppliers may need to adjust their energy usage structures or technologies in response to energy transition policies, increasing costs and potentially affecting pricing, delivery timelines, and supply stability. 	<ul style="list-style-type: none"> Increased Capital Expenditure: Significant investment may be required for facility upgrades, technological transformation, and procurement of green energy equipment, increasing short-term capital expenditure. Long-term Reduction in Operating Costs: With broader adoption of clean energy and improved energy efficiency, long-term reliance on traditional energy may decrease, reducing energy costs and achieving long-term operational savings. 	<ul style="list-style-type: none"> Increase investment in clean energy facilities, gradually replace traditional energy sources, and promote green upgrades of production facilities to align with energy transition policies. Collaborate with suppliers to promote the application of green energy and low-carbon technologies, improve energy structures across the supply chain, ensure supplier compliance with energy transition requirements, and stabilize the supply chain while optimizing cost structures.
	Carbon Market Price Fluctuations	Short-, medium- and long-term	<ul style="list-style-type: none"> Fluctuating Carbon Costs: Variations in carbon market prices may lead to unstable expenditure on carbon emission allowances. In particular, rising carbon prices may increase carbon costs, thereby raising production costs and affecting profitability. 	<ul style="list-style-type: none"> Increased Supplier Carbon Compliance Costs: Fluctuations in carbon costs faced by suppliers may increase their production costs, thereby raising raw material prices and affecting procurement costs. 	<ul style="list-style-type: none"> Rising Operating Costs: Increases in carbon market prices may elevate carbon emission costs, driving up overall operating costs. 	<ul style="list-style-type: none"> If the Company's industry is included in carbon markets, establish carbon allowance procurement strategies to lock in prices in advance, mitigating the impact of future price volatility on operating costs. Gradually incorporate carbon costs into production decision-making and budgeting, and flexibly adjust production plans and operational models based on carbon price fluctuations.
	Raising Environmental Standards	Long term	<ul style="list-style-type: none"> Increased Compliance Costs: Higher environmental standards may require additional investment in environmental protection facilities, upgrades to waste gas and wastewater treatment systems, and enhanced environmental monitoring, thereby increasing compliance costs. 	<ul style="list-style-type: none"> Increased Supplier Compliance Pressure: Suppliers may need to comply with stricter environmental standards, increasing their production costs and potentially affecting raw material procurement prices. 	<ul style="list-style-type: none"> Increased Short-term Capital Expenditures: To meet higher environmental standards, the Company may need to undertake facility renovations and technological upgrades, which will lead to an increase in short-term capital expenditures and may affect cash flow. Long-term Operating Cost Reduction: With the upgrading of environmental protection facilities and improvements in production processes, in the long term, the Company may reduce operating costs by improving energy efficiency and reducing pollutant emissions. It may also obtain government rewards or subsidies through compliance, thereby achieving long-term financial savings. 	<ul style="list-style-type: none"> Establish a more comprehensive environmental monitoring system to track the Company's compliance performance in environmental management in real time and reduce risks arising from sudden environmental incidents or policy changes. Increase investment in environmental protection facilities, upgrade waste gas and wastewater treatment equipment, and introduce advanced environmental technologies to ensure production complies with new environmental standards. Work closely with suppliers to ensure they comply with new environmental standards. Promote the green transformation of the supply chain by selecting raw materials and partners that meet environmental requirements, thereby reducing potential compliance risks and cost pressures.

Climate change-related opportunities

We actively take measures to capture opportunities arising from the global transition towards a sustainable economy. By increasing the R&D and application of clean technologies and strengthening energy efficiency management, we advance our green transition plan.

Climate-related opportunities	Plans and measures
Reduction in Fossil Energy Inventory and Consumption	In view of the growing awareness of sustainable development and green energy, we fully promote cleaner production, utilize idle rooftops to install photovoltaic power generation facilities, and actively procure clean electricity. Through multiple channels, we reduce reliance on externally purchased energy and decrease the use of traditional fossil energy. At the same time, we have established comprehensive management processes to reduce the negative environmental impacts of operations, and we continue to promote the application of green manufacturing technologies to advance the development of green and low-carbon industries.
National Dual Carbon Strategic Targets	We actively respond to the national dual carbon strategic targets. By promoting cleaner production, strengthening waste management, and reducing the carbon footprint of products, we build a positive environmental brand image and thereby capture more business opportunities, such as obtaining environmental tax incentives to reduce operating costs, enhancing the confidence of external investors, and expanding financing channels.
Reducing Costs through Green Production Technologies	We continue to enhance our R&D capabilities and promote cleaner production, thereby reducing compliance costs and improving operational efficiency. By improving mold technology, we significantly reduced the generation of plastic waste and lowered plastic waste disposal costs.
Growing Demand for Clean Energy	With its cost advantages and convenience of application, solar energy has become one of the most important clean energy sources globally. Soft magnetic ferrite materials and amorphous magnetic materials, due to their excellent physical properties, are key raw materials for various magnetic components used in solar inverters. We believe that, as the global photovoltaic industry continues to expand, the Company's related magnetic materials are well positioned to seize growth opportunities and meet market demand.
Rapid Growth of the New Energy Vehicle Market	The global new energy vehicle market is entering a phase of accelerated development. With continuous performance improvements, gradually declining costs, and rising market acceptance, demand for new energy vehicles is expected to expand further. Growth in the new energy vehicle market will drive a corresponding increase in demand for related functional and structural components. We will closely follow industry trends, seize opportunities from new projects, and actively respond to the development needs of the new energy vehicle market.

Risk Management

LINGYI ITECH has established the *Management Procedures for Greenhouse Gas Inventory*, which clearly set out the principles for identifying, evaluating, and managing carbon emission risks. Risk identification covers all departments and their related activities, products, and services, supporting the effective advancement of carbon reduction targets.

Based on the energy use of each department's activities, products, and services, all departments systematically identify carbon emission risk factors that can be controlled or influenced, and uniformly compile and report them in the Carbon Emission Risk Source Identification and Evaluation Form. Carbon emission factor identification and evaluation are conducted once each year. For identified risks, we assess them across four dimensions: frequency of occurrence, duration of impact, scope of impact, and severity of impact. Risk factors reaching the prescribed threshold are classified as significant risk sources and are subject to focused management. Differentiated management measures are then adopted based on the assessment results, including optimization of the energy mix and reduction of carbon emissions, so as to mitigate related risks.



LINGYI ITECH integrates the identification, assessment, and management processes for climate-related risks into its overall risk management system, ranking climate-related risks together with other types of risks to ensure that high-risk areas receive timely attention. In decision-making processes at all levels, climate factors have become an important consideration, particularly when formulating long-term strategies, evaluating investment decisions, and assessing major projects, with the impacts of climate change incorporated into the decision-making framework.

Metrics and Targets

LINGYI iTECH's greenhouse gas emissions accounting is mainly carried out with reference to the relevant standards of the GHG Protocol. Greenhouse gas emissions mainly arise from direct emissions (Scope 1) generated by the consumption of fuels such as natural gas, diesel, and petrol in production, freight transport, and office activities, and indirect emissions (Scope 2) generated by the use of purchased electricity. We also account for and disclose certain Scope 3 emissions, including Category 1: Purchased Goods and Services; Category 3: Fuel- and Energy-related Activities; Category 6: Business Travel; Category 7: Employee Commuting; and Category 12: End-of-life Treatment of Sold Products. The accounting scope covers LINGYI iTECH's global operating entities.

Indicator	Unit	2025
Total GHG Emissions (Scope 1 & Scope 2)	tCO ₂ e	1,006,851.83
Scope 1 GHG Emissions	tCO ₂ e	28,515.60
Scope 2 GHG Emissions	tCO ₂ e	978,336.22
Scope 3 GHG Emissions	tCO ₂ e	4,355,353.68

Target	Progress
By 2027, we plan to increase the share of electricity sourced from photovoltaics, wind power and directly procured green electricity to 45% of our total electricity consumption.	In 2025, electricity sourced from photovoltaics, wind power and directly procured green electricity accounted for 22.14% of total electricity consumption.

As of the end of the Reporting Period, among LINGYI iTECH and its subsidiaries:

Verified the 2024 greenhouse gas emissions data of

7

subsidiaries in accordance with the ISO 14064 standard and obtained greenhouse gas verification statements issued by authoritative institutions

A total of

2

entities obtained ISO 14067 Product Carbon Footprint certification

Ecosystem and Biodiversity Conservation

LINGYI iTECH fully recognizes the importance of biodiversity to ecological balance and understands the symbiotic relationship between the ecological environment and corporate development. Accordingly, we continue to integrate relevant requirements into the Company's sustainable development strategy and operational management.

At the site selection and layout stage, the Company strictly avoids national and local nature conservation areas for its office, production and business premises, thereby preventing adverse impacts on sensitive ecological areas and biological habitats at source.

Before project construction, the Company strictly conducts environmental impact assessments in accordance with local laws and regulations, systematically identifying and assessing the impacts and risks that production and operating activities may pose to ecosystems, flora and fauna resources, and the surrounding environment. Based on the assessment results, targeted mitigation and improvement measures are developed to promote forward-looking risk prevention and standardized management.

In the course of daily operations, the Company consistently implements energy conservation, emission reduction and pollution prevention measures, strengthens the management and control of wastewater, waste gas and solid waste, and reduces the potential pressure on the ecological environment. At the same time, through measures such as improving resource utilization efficiency, promoting waste recycling and reuse, and optimizing water management, we reduce the intensity of energy and resource consumption, striving to reduce the negative impacts of business activities on ecosystems and biodiversity from the whole-process and multi-dimensional perspectives, and actively fulfill our corporate ecological protection responsibilities.

Soil and Groundwater Management

Identification

- Identify equipment and facilities that could potentially cause soil and groundwater contamination, including their location, size, material, and potential pollution pathways during construction, operation, and post-service phases

Prevention

- Implement control measures for processes, pipelines, equipment, and wastewater storage and treatment structures to prevent leaks and spills of pollutants
- Conduct critical anti-seepage work at locations storing hazardous substances, such as wastewater treatment plants, hazardous waste storage areas, and chemical warehouses.
- In the event of leakage, spillage, or dispersion, facilities should be in place to prevent pollutants from entering the soil including secondary containment systems, drip prevention devices, and ground anti-seepage barrier systems.

Inspection

- Regularly inspect anti-seepage effectiveness, visually check tanks and pipes for signs of aging, damage, cracks, or overflow, and ensure any leaked liquids are promptly collected and cleaned up.

Monitoring

- For units listed as key soil pollution monitoring entities by local authorities, follow relevant technical guidelines to engage qualified third parties for regular soil and groundwater monitoring. Promptly conduct soil pollution risk assessments if abnormal results are detected.

Empowering a People-Centric Workplace

LINGYI iTECH upholds the core principles of "respect for employees, legal compliance, fairness and equity, and shared growth", and is committed to creating a safe, healthy, equal, and respectful working environment. We implement equal pay for equal work and ensure fairness in recruitment, promotion, diversity, and equal opportunities through comprehensive institutional safeguards, thereby supporting employees' career development. The Company actively promotes the "Rainbow Program" to provide employment opportunities for persons with disabilities and foster workplace inclusiveness. At the same time, we organize a wide range of employee care activities to enhance well-being and promote harmonious, inclusive, and sustainable social development.



Related Topics

- Employee Rights Protection
- Occupational Health and Safety
- Employee Compensation and Benefits
- Employee Training and Development

SDG Alignment

3
GOOD HEALTH
AND WELL-BEING

5
GENDER
EQUALITY

8
DECENT WORK AND
ECONOMIC GROWTH

10
REDUCED
INEQUALITIES

Employee Rights Protection

Governance

The Company adheres to a people-oriented approach, regarding employees as core assets for sustainable development. We respect internationally recognized human rights as set out in the *Universal Declaration of Human Rights*, the *Ten Principles of the United Nations Global Compact*, the core labor standards recognized by the International Labor Organization as stipulated in the Declaration on Fundamental Principles and Rights at Work, the Protect, Respect and Remedy framework established by the *UN Guiding Principles on Business and Human Rights*, the Social Accountability standard (SA8000), and applicable laws and regulations in the countries and regions where we operate.

We strictly comply with national and local labor laws and regulations, including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. We strictly prohibit child labor, forced labor, and all forms of discrimination and harassment, and are committed to creating a safe, healthy, equal, and respectful working environment.

In 2025, the Company further improved its employee rights protection system and established a comprehensive set of internal policies, including the *Employee Handbook*, *Management Standards for the Prevention of Involuntary Labor*, *Management Regulations on Juvenile Workers, Student Workers, and Prohibition of Child Labor*, *Management Standards for Preventing Harassment, Violence, Abuse, and Retaliation*, *Labor Protection Management Standards for Female Employees and Persons with Disabilities*, and the *Anti-discrimination Management Measures*. These policies cover the full lifecycle of employment management, including recruitment, promotion, remuneration, career development, and grievance mechanisms, ensuring institutionalized and standardized protection of employee rights. In addition, we have publicly issued a *Human Rights Policy* and require suppliers to strictly comply with it.

In 2025, the subsidiary Dongguan Lingyi Precision Manufacturing Technology Co., Ltd. obtained ISO 30415:2021 *Human Resource Management - Diversity and Inclusion* certification from SGS, becoming the first enterprise in the AI hardware intelligent manufacturing industry to achieve this certification. This marks that the Company's practices in diversity and inclusion have reached international standards and sets a benchmark for the industry.



Guided by the ISO 30415 framework, Dongguan Lingyi has integrated diversity and inclusion into the full lifecycle of human resource management, including workforce planning, remuneration, recruitment, onboarding, learning and development, performance management, succession planning, employee mobility, and termination. As LINGYI iTECH further advances its globalization strategy, diversity and inclusion have become key components of its soft competitive capabilities. Building on Dongguan Lingyi's ISO 30415 certification, the Company will establish a more internationally oriented and competitive employee management system at the Group level, enhancing organizational effectiveness and responding to customer expectations through inclusive culture and shared values.

Impact, Risk, and Opportunity Management

Labor Management

To manage labor compliance risks—such as discrimination, harassment, forced labor, and employment disputes—and avoid significant impacts on stable operations, we conduct annual human resources due diligence. A due diligence process has been established, covering risk identification, on-site audits, issue analysis, rectification tracking, and annual reporting. This process evaluates labor protection and human rights risks across dimensions including working conditions and remuneration compliance, prohibition of forced and child labor, health and safety and environmental protection, anti-discrimination and inclusion, and the effectiveness of communication and grievance mechanisms.

At the same time, we regularly conduct labor compliance audits and risk assessments, focusing on high-risk areas such as recruitment, employment, and termination, ensuring closed-loop management. For general violations (such as minor discrimination), intervention by supervisors and Human Resource Business Partners (HRBPs) is required within 24 hours, with responsible individuals required to undergo training and rectification. For major violations (such as forced labor or child labor), affected employees are immediately separated, investigations are completed within seven days, and remedial measures are implemented, including returning child workers to school or home, providing compensation, and offering psychological support. In 2025, a total of 12 general violations were handled, with no major infringement cases. Employee satisfaction with the handling mechanisms reached a score of 4.2 out of 5.

Operational Change Management

The Company has established the *Management Standards for Employee Rights Protection in Major Operational Changes*, clearly requiring consultation with employee representatives or trade unions prior to major changes such as mergers and acquisitions. Placement plans are developed, including job transfers, training, psychological support, and lawful compensation, and dedicated grievance and supervision mechanisms are established. In the event of major mergers or acquisitions affecting a large proportion of employees, the Company implements mechanisms such as job continuity, transitional remuneration, and continuation of benefits, supported by systematic integration training programs and re-employment support. This has resulted in a 92% employee retention rate, with no labor arbitration cases arising from material changes in operations, ensuring that employee rights are protected during restructuring processes.



Mr. Jia Shuangyi, Vice Chairperson, Executive Director and Chief Human Resources Officer, accepted the certificate awarded by SGS on behalf of the Company

Strategy

Compliant Recruitment

The Company implements strict identity verification and system review mechanisms. All new employees are required to sign a *Voluntary Employment Declaration* and complete training and assessment on *Labor Rights and Compliance Instructions* to ensure authenticity of identity and voluntary employment. At the same time, the Company conducts random background checks on a proportion of employees each year, with 100% re-verification for key positions. In 2025, a total of 3,200 checks were conducted, with no cases of false identity or forced labor identified.

Excerpt from *Management Standards for Prohibiting Forced Labor*

- Ensure employees' personal freedom, guaranteeing that their employment and work are entirely voluntary
- Prohibit all forms of forced labor, bonded labor, debt labor, labor enforced through threat of punishment, or any involuntary labor
- Strictly forbid any department or individual from using violence, threats, or illegal restrictions on personal freedom to coerce employees into labor

Excerpt from *Management Regulations on Juvenile Workers, Student Workers, and Prohibition of Child Labor*

- During interviews, the Company personnel must rigorously inspect and verify identity documents such as ID cards. Only after confirming that the photos, age, and other details are genuine can candidates be registered and allowed to join the Company. Additionally, at least one internal identity verification and inspection must be conducted annually within the factory to eliminate any potential underage labor issues
- If it is discovered that child labor has been mistakenly employed, the Company must initiate a child labor rescue plan in accordance with local laws and regulations and take corresponding remedial actions: Immediately cease the child's work and inform relevant parties (including schools, government bodies, clients, suppliers, etc.); provide a health examination and if any illness is detected, offer treatment to ensure their health has not been affected by the work; the Company will arrange transportation to escort the child back to school, home, or have them picked up by their guardian, who must sign a receipt of acknowledgment; the Company will cover necessary tuition fees and other miscellaneous expenses (such as book fees, study supplies, and basic living costs) for the child; and, upon reaching legal working age, offer employment opportunities under conditions no less favorable than before, subject to the employee's willingness.
- The Company commits to strictly adhering to the *Special Protection Regulations for Juvenile Workers* and other applicable local laws and regulations when employing juvenile workers.

Democratic communication

Through multiple channels—such as employee representative congresses, trade unions, employee forums, management open days, and online grievance platforms (e.g. "Group Direct Access")—we have established transparent and regular two-way communication mechanisms to safeguard employees' rights to expression and participation. In 2025, a total of 86 employee forums and communication sessions were held. At the same time, we have established a comprehensive system for democratic communication and collective bargaining, including the *Management Measures for Collective Bargaining and Freedom of Association*, *Management Standards for Employee Representative Communication*, *Management Standards for Trade Unions*, and *Management Standards for Group Employee Appeal Operations*, ensuring transparent two-way communication. Currently, collective bargaining agreements cover 100% of employees.

In 2025, the Company conducted two employee satisfaction surveys covering ten dimensions, including safety and environmental protection, working environment, supervisor relationships, career advancement, and diversity and inclusion. The overall participation rate exceeded 80%, with an overall satisfaction score of 3.84 (out of 5). Scores for "working environment", "supervisor relationships", and "diversity and inclusion" showed continuous improvement. In response to lower-scoring areas such as "compensation and rewards" and "promotion opportunities", more than 40 improvement measures have been implemented. Through a closed-loop mechanism of "survey-analysis-action-verification", we continuously track effectiveness and ensure that employee feedback is effectively addressed.

Diversity and Inclusion

The Company firmly promotes diversity and inclusion, upholding principles of equality and non-discrimination. Decisions on recruitment, promotion, and salary adjustments are based solely on job value, capability, and performance, without regard to protected characteristics such as gender, age, race, religion, nationality, or disability status. Through the *Labor Protection Management Standards for Female Employees and Persons with Disabilities*, we ensure equal rights for female employees and persons with disabilities in recruitment, employment, promotion, and remuneration

Excerpt from *Management Standards for Preventing Harassment, Violence, Abuse, and Retaliation*

- The Company is committed to maintaining a workplace free from harassment and abuse, ensuring that no employee is subjected to threats or harsh, inhumane treatment. This includes, but is not limited to, verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment
- Any incidents of harassment or abuse, once discovered, will be addressed according to our management system. Appropriate penalties and corrective actions will be taken against the involved parties and their corresponding supervisors. The Company will protect the confidentiality of those who report such incidents to prevent retaliation, ensuring that all employees are treated with respect and have the right to be respected

Empowering Diversity and Inclusion: Supporting Employees with Disabilities

In 2025, the Company launched a "Diversity and Inclusion Ambassador" training program, bringing together department heads. Through immersive experiences, case studies, and action planning, participants' awareness of diversity was strengthened. Site visits were also organized to showcase assistive technologies and inclusive employment pathways. A total of 31 participants were certified as the first cohort of "Diversity and Inclusion Ambassadors", providing strong support for integrating employees with disabilities.

During the International Day of Persons with Disabilities, sites such as South China CNC and Pinghu Die-cutting organized activities including workplace visits, discussion sessions, and inclusion programs. Trade unions and management engaged directly with employees with disabilities to understand their needs, fostering a workplace culture of equality, respect, and support. These activities covered over 100 employees throughout the year, significantly enhancing the sense of belonging among employees with disabilities and strengthening team inclusiveness.



LINGYI iTECH First Cohort Diversity and Inclusion Ambassador Training

At the same time, we continued to deepen the "Rainbow Program". At the end of 2025, a total of 1,739 employment opportunities had been provided to persons with disabilities across various roles, including frontline operators, designers, and IT service specialists, fostering an inclusive workplace environment.



LINGYI iTECH "Rainbow Program" Activities on the National Day for Persons with Disabilities

The Company also launched a "Sign Language Empowerment" training initiative, focusing on communication needs in production environments. It covered frontline management personnel and effectively enhanced support for hearing-impaired employees and team collaboration.

Promoting Gender Equality and Advancing Diversity

LINGYI iTECH continues to promote gender equality and is committed to creating opportunities for women to participate in senior decision-making. In 2025, the Company improved its nomination mechanisms and expanded the pool of female candidates. Chairwoman Ms. Zeng Fangqin was elected as a member of the first Women Directors Committee of the China Association for Public Companies, demonstrating the Company's active role in promoting gender equality. In March 2025, LINGYI iTECH organized a "Women's Health Month" campaign, including a 14-day self-care training program, health knowledge competitions, themed educational content, and live sessions on women's mental health. Through online courses, interactive exercises, and expert Q&A sessions, the initiative enhanced female employees' awareness of self-care and mental well-being.



Suzhou Linghui "Her Power, Her Brilliance" International Women's Day Event



LINGYI iTECH "Women's Health Month" Activities

Education and Promotion

In 2025, the Company conducted labor standards and employee rights protection training for all employees, including management, achieving a 100% coverage rate and over 95% participation among management. Through case studies, policy communication, and cultural initiatives, we promoted a culture of respect and fairness and strengthened compliance awareness.

- New Employee Rights Training** | Covering all new employees, the training includes labor rights, career development, grievance channels, and anti-harassment and anti-discrimination policies, achieving a 100% participation rate.
- Management Compliance Training** | Specialized training on labor rights and compliance management is provided to middle and senior management to strengthen their compliance awareness and risk prevention capabilities in employment practices.
- Training on Protection of Vulnerable Groups** | Targeted training for HR personnel and frontline managers focuses on protecting the rights of female employees and employees with disabilities, enhancing their awareness and support capabilities.
- Anti-harassment and Anti-discrimination Training** | Delivered through a combination of online courses and offline workshops, covering all employees, with content including case analysis, behavioral standards, and reporting procedures.

Metrics and Targets

Target	Progress
Zero Discrimination Incidents: No confirmed incidents involving discrimination, harassment, forced labor, or other violations of employee rights	Targets Met
Diversity Recruitment: More than 150 new hires of persons with disabilities, expanding the scope of the Rainbow Program	
Training Coverage: 100% coverage of employee rights training; over 95% participation rate in management compliance training	
Grievance Resolution Rate: 100%, with an average resolution period not exceeding seven working days	
Due Diligence Coverage: Human resources due diligence covers all key employment entities	

Occupational Health and Safety

Governance

The Company adheres to the management philosophy of "people-oriented and safety-driven development", strictly complying with laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, as well as ISO 45001 standards. We have established core control targets of "zero fire incidents, zero serious injuries, zero fatalities, and zero occupational diseases".

The Company has established an integrated Environmental, Health and Safety (EHS) management system covering the entire Group. The Group EHS Department is responsible for overall supervision and management of environmental protection, occupational health, and safety matters, conducting regular and ad hoc audits and providing technical support and professional training. Each COO and production site is equipped with dedicated EHS teams responsible for "Three Simultaneities" in construction projects, hazard reporting, testing and evaluation, and employee training, forming a management mechanism of "Group coordination, local implementation, and vertical integration", integrating environmental protection, production safety, occupational health, and fire safety into EHS management. At the same time, the Company incorporates EHS performance into the management performance evaluation system. Group-level EHS targets are set and cascaded to individual factories, with tracking and supervision of target and KPI achievement. Combined with year-end site assessments, this ensures effective implementation of EHS responsibilities at all levels.

We have established and implemented systems such as the *Occupational Health Management Procedures*, *Fire Safety Management Procedures*, *High-risk Operations Safety Management Procedures*, and *EHS Hazard Identification and Control Management Procedures*, covering safety management structures, emergency plans, assessment mechanisms, and accountability systems. These ensure comprehensive standardization of production safety, occupational health, emergency management, and equipment safety, ensuring that all production and business activities comply with occupational health and safety requirements, and safeguarding employee safety and sustainable operations.

As of the end of 2025, the Company and 35 production entities have obtained ISO 45001 Occupational Health and Safety Management System certification⁷.

Impact, Risk, and Opportunity Management

Equipment Safety Protection

In response to challenges such as high-risk manufacturing operations and the introduction of new processes and materials, the Company has established the *Hazard Identification, Evaluation and Control Management Procedures*, systematically identifying six categories of hazards—physical, chemical, biological, and ergonomic factors—and implementing dynamic risk assessments. In 2025, technical standards were developed for new, modified, and expanded projects, with Design for Manufacturability (DFM) implemented at an early stage. Equipment safety audits covered 23 sites, identifying 932 hazards, all of which were rectified with a 100% closure rate. Through a three-tier protection system encompassing technology, management, and personnel, we strengthen source control and process management to reduce risks of accidents and occupational diseases.

⁷ ISO 45001 replaced the OHSAS 18001 standard in 2018 as the first globally recognized occupational health and safety management system standard.

Dust Exposure	High Noise	Hazardous Gases
Install high-efficiency dust removal systems and adopt measures such as wet operations and enclosed processes to reduce dust exposure	Optimize equipment layout, use noise-reduction materials, and provide employees with professional earplugs or noise-cancelling earmuffs	Equip facilities with efficient ventilation systems and gas detection and alarm devices to ensure air quality compliance

Hazard Identification and Incident Management

In accordance with the *EHS Hazard Identification and Control Management Procedures*, we conduct regional inspections, comprehensive audits, and specialized audits covering areas such as waste gas, equipment safety, and fire safety. Based on inspection results and incidents of varying severity at operational sites, corresponding response plans are formulated. In the event of work-related injuries, illnesses, or near-miss incidents, we require management to conduct a 5WHY root cause analysis. Site supervisors and department managers must initiate investigations promptly upon receiving incident reports, analyze root causes, develop and implement corrective measures, and track and verify their effectiveness, achieving closed-loop management from reporting to resolution.

Strategy

Health Protection and Training

To strengthen preventive measures, the *Occupational Health Management Procedures* require the implementation of the "Three Simultaneities" for occupational disease prevention facilities in construction projects. Occupational hazards are truthfully communicated through labor contracts, notice boards, and warning signs. High-risk positions are equipped with occupational hazard notification cards, which are regularly maintained. All employees are required to undergo health examinations prior to employment. Annual health check-ups are organized, and health records are established for all employees. Personal protective equipment is provided to ensure individual protection. For positions involving dust, noise, and chemical exposure, occupational health examinations are conducted before employment, during employment, and upon departure to ensure timely detection and prevention of occupational diseases. Personalized health management plans are developed for identified abnormalities.

The Company regularly conducts occupational health and safety training and emergency drills to enhance employees' self-protection awareness and ensure that all employees master occupational disease prevention knowledge and emergency response skills. In 2025, a total of 2,301 training sessions were conducted on equipment safety, electrical safety, and chemical safety management, covering 212,700 participants and exceeding 475,000 training hours. A total of 2,817 emergency drills—including fire safety, chemical leakage, and confined space rescue—were conducted to enhance employees' emergency response capabilities.

Building a Fire Safety Defense Together to Safeguard Enterprise Safe Development

Under the theme "Safety Emergency · Building a Defense Together", LINGYI iTECH conducted multi-site fire drills and awareness campaigns nationwide to comprehensively enhance employees' fire safety awareness and emergency response capabilities. For example, South China CNC conducted drills simulating real fire scenarios to test evacuation and initial firefighting capabilities; the Suzhou new plant organized full-staff evacuation drills and practical fire equipment training; and the Yangzhou site used interactive quiz formats to strengthen fire safety knowledge. These systematic fire safety initiatives demonstrate LINGYI iTECH's strategic commitment to safety management. By establishing a Group-wide, multi-dimensional emergency response network, the Company has effectively enhanced overall safety standards.



Safety Drill at Suzhou New Plant



LINGYI iTECH Multi-site "119 Fire Safety Awareness Month" Activities

Strengthening EHS Management and Enhancing Emergency Response Capabilities

Adhering to the principle of "safety first, prevention foremost", LINGYI iTECH comprehensively advances environmental, health and safety (EHS) management. Diverse safety initiatives are implemented across sites—for example, Guilin structural component operations integrate first aid training with fire drills, enabling employees to systematically learn cardiopulmonary resuscitation (CPR) and AED usage, while Zhengzhou die-cutting operations conduct targeted emergency drills for scenarios such as collapses and mechanical injuries, enhancing team coordination and response capabilities. Through diversified training and practical drills, LINGYI iTECH effectively improves employees' safety awareness and emergency response capabilities, strengthening the safety foundation for sustainable development.



Salcomp Guilin Employee First Aid Training



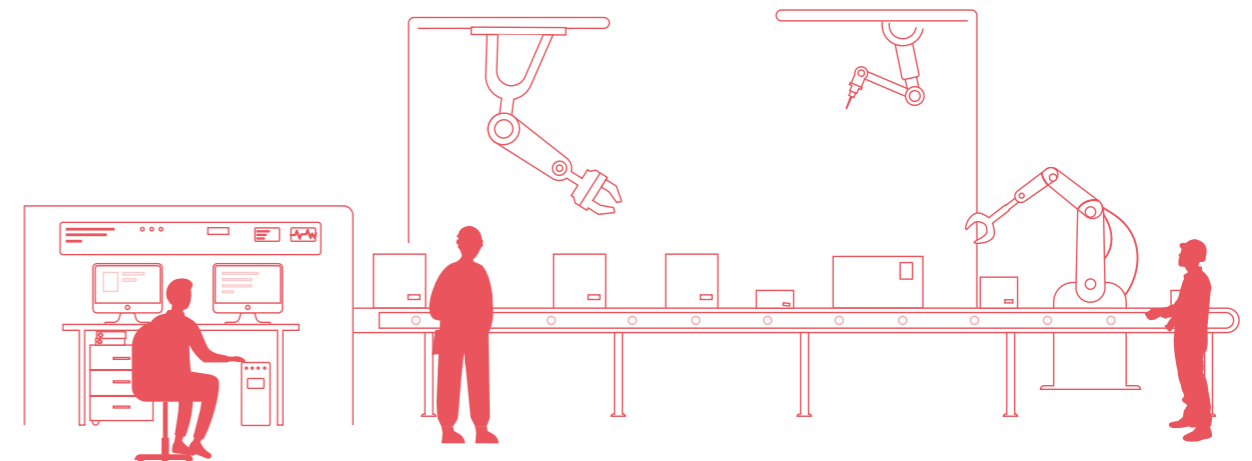
EHS Emergency Drill in the Zhengzhou Die-cutting plant

Intelligent management

To enhance response capabilities, the Company has deployed an EHS intelligent management platform to enable real-time risk perception and automated early warning. A Group-level emergency response center has been established to provide emergency resource support, technical assistance, and standardized response procedures, while promoting safety awareness among all employees and ensuring that production equipment complies with safety standards during operation and maintenance.

Metrics and Targets

Indicators	Unit	Target for 2025	Data for 2025
Work-related Fatalities	/	0	0
General and Above-level Fire Incidents	/	0	0
Serious Injury Incidents	/	0	0
Rectification Rate of Major EHS Risks	%	100	100
Emergency Drill Coverage Rate	%	100	100
EHS Training Participation Rate	%	≥ 90	100
Safety production investment	RMB10,000	/	2,376.74
Lost Time Injury Frequency Rate (LTIFR)	times per 1 million working hours	/	0.58



Employee Compensation and Benefits

Governance

The Company adheres to the core philosophy of "people-oriented, co-creation and shared success", regarding employees as the fundamental driving force for sustainable development. We are committed to building a fair, caring, growth-oriented, and mutually beneficial workplace ecosystem. Through institutionalized and standardized remuneration and benefits management, we safeguard employees' fundamental rights and enhance their sense of belonging and well-being.

In accordance with national and local laws and regulations, the Company has formulated and implemented policies such as the *Employee Handbook*, *Attendance Management Standards*, *Salary Calculation Management Standards*, and *Personal Performance Management System*, covering key areas including remuneration, working hours, performance, and benefits, ensuring lawful, compliant, and transparent management. All employees with formal labor contracts participate in social insurance in accordance with the law and are entitled to commercial insurance and other supplementary benefits.

Impact, Risk, and Opportunity Management

Compensation system

We provide our employees with comprehensive, market competitive remuneration and benefits in all of our operating regions, exceeding the baseline legal requirements. The Company implements a diversified remuneration structure comprising base salary, position allowances, performance-based pay, and skill allowances. We adopt broadbanding salary management along with the principle of equal remuneration for men and women to ensure fair pay for our workforce. Performance is assessed through a combination of annual reviews, performance appraisals, target management assessments, and personnel evaluations. Based on assessment results, corresponding remuneration and incentive policies are applied, aligning compensation with capability and performance and appropriately linking employee remuneration to business performance outcomes to motivate employees. Among these, the achievement of operational performance targets is directly linked to the performance, rewards, and penalties of senior management.

Long-term Incentive Mechanisms

We have established long-term equity incentive schemes and employee share ownership plans, enabling employees to share in the Company's growth. To date, the Company's equity incentive programs have cumulatively covered over 2,000 employees, with granted equity instruments representing more than 5% of the Company's total share capital. In 2025, the Company introduced stock option and employee share ownership plans, with vesting schedules over three years: stock options vest at 40%, 30%, and 30% from 2026 to 2028, respectively, while employee share ownership vests at 30%, 30%, and 40%. In accordance with the Company's performance management policies, during the validity period of incentive schemes, performance assessments are conducted annually. If Company-level performance targets are met, the actual exercisable amount for each participant is calculated as: individual planned exercisable amount × Business Group (BG)-level exercisable ratio × individual-level exercisable ratio. Performance ratings are classified into five levels: E, S+, S, S-, and NI.

Individual performance results	Individual-level exercisable ratio
E, S+, S	100%
S-	50%
NI	0%

Employee Benefits

LINGYI ITECH places great importance on its employee welfare system. Through comprehensive social insurance, housing fund contributions, and diversified non-monetary benefits, we provide employees with comprehensive care and support, building an efficient employee ecosystem with a strong sense of belonging.

In terms of basic protection, LINGYI ITECH duly contributes comprehensive social insurance (including pension, medical, unemployment, work-related injury and maternity insurance) and housing funds for all employees in accordance with the law, thereby establishing a solid baseline of protection. On this basis, the Company further extends its welfare framework, paying close attention to employees' work and life needs. For example, we provide diversified allowances covering both work and daily life scenarios to ease employees' everyday burdens; and offer paid leave exceeding statutory requirements, including fully paid sick leave, paid annual leave, and maternity leave (paternity leave), helping employees better balance work and life.

The Company has also made all-round improvements in housing, commuting, and dining. For example, newly recruited employees are provided with dormitories or talent housing, while employees living off-site may receive housing allowances; additional shuttle bus routes and services have been introduced to facilitate commuting; and some subsidiaries have launched canteen upgrade projects, increasing meal supply and setting up priority seating and service windows for employees with reduced mobility, with free seasonal meals and fruit provided weekly, thereby significantly enhancing employee satisfaction.

Mental health and cultural and sports activities are also important components of the Company's welfare provision. LINGYI ITECH has launched programs such as the Psychological Energy Refueling Station series and mindfulness lifestyle boot camps to help employees gain a sense of happiness and achievement. For overseas employees, the Group fully respects local customs and religious beliefs, and carefully plans a series of activities in line with local cultural characteristics—such as Easter celebrations—so that every overseas employee can feel cultural identity and warm care, thereby jointly building a global family full of belonging.

Strategy

Working Hours Management

The Company strictly complies with laws and regulations relating to working hours management. In systems such as the *Employee Handbook*, *Attendance Management Standards*, and *Management Measures for the Prohibition of Forced Labor*, we clearly define working hours, overtime approval procedures, compensatory leave arrangements, and leave application procedures and entitlements, prohibit forced overtime and excessive overtime, and safeguard employees' right to choose overtime voluntarily without retaliation of any kind.

Employees' normal working hours are eight hours per day and 40 hours per week. For overtime, the Company requires factory supervisors to review production plans in advance and submit overtime applications strictly in accordance with regulations, eliminating retrospective overtime applications caused by urgent orders. If any non-compliance is identified, it must be reported immediately and, upon approval by the highest supervisor of the business group, filed with the customer and the Social Responsibility Committee for oversight, with regular reporting to management to ensure timely rectification and continuous improvement. All overtime is calculated and paid in accordance with the law, effectively safeguarding employees' legitimate rights and interests. All relevant policies are communicated to all employees in the local language to ensure awareness and implementation.

Support for Employees in Need

The Company cares for every employee's work and life. To effectively support employees in difficulty, we have established a closed-loop mechanism of support-tracking-feedback. Based on employees' specific circumstances, such as financial hardship, serious illness, or children's education issues, we provide targeted support measures, including living allowances and medical assistance, to address urgent needs. The Company's support mechanism has been selected as a local exemplary case of harmonious enterprise development. In 2025, the Company supported a total of 1,683 employees, with cumulative investment reaching RMB9,167,000. No employees left voluntarily due to family hardship.

Employee Care

The Company organized a wide range of themed activities for all employees, offering benefits and engaging interactive sessions. In 2025, 446 care activities were organized, covering 45,000 participants, with an overall satisfaction score of 95.8, including 142 birthday parties and team-building activities, substantially relieving work pressure and enhancing workplace well-being. The activities achieved notable results. Surveys showed that employees' happiness index increased by 11.5%, and the related activities contributed positively to engagement by 29%.

In addition, the Company strictly complies with the *Special Provisions on Labor Protection for Female Employees* and other laws and regulations in operating locations, and has formulated the *Labor Protection Management Standards for Female Employees and Persons with Disabilities* to safeguard the rights and interests of female employees. This policy aims to reduce and resolve difficulties that female employees may encounter during specific periods of employment and work, protect female employees during pregnancy, maternity, and breastfeeding, and safeguard their legitimate rights and interests.

Physical and Mental Health Activities 12 health lectures and free medical consultation sessions were organized, with 3,200 participants; health knowledge such as workplace exercise routines was promoted both online and offline.

Cultural and Sports Integration Activities 91 large-scale activities were organized, including fun sports meets, basketball matches, badminton, and e-sports leagues, with 22,000 participants; birthday parties experiences were enhanced, engaging 9,200 employees; and 23 themed clubs in music, bands, dance, and other fields were established.

Festival Care A total of 85,000 gifts and gift boxes were distributed during festivals such as International Women's Day, the Dragon Boat Festival, and the Mid-Autumn Festival.

Warmth for the Lingyi Family, Thoughtfully Conveying Organizational Care and Belonging

Guided by the concept of "warmth unites people, walking together as one Lingyi family", LINGYI iTECH carried out diversified employee care activities across sites nationwide, comprehensively enhancing employees' happiness and sense of belonging.

Our Softgoods business line held an employee forum in the third quarter. Through the ice-breaking game Common Threads and communication sessions, it built an efficient platform for dialog between employees and management. During the Double Ninth Festival, The Pinghu Die-cutting team organized home visit activities, with management and employee representatives visiting employees' homes to deliver festive greetings and care, bringing the Company closer to employees' families. Guilin Salcomp invited a professional team to conduct free medical consultations, providing female employees with health screening and pre-pregnancy examinations, thereby genuinely caring for their physical and mental well-being. Huangjiang Stamping held a new employee care activity, using a warm environment and interactive sessions to help new employees integrate into the team quickly. Pinghu Die-cutting organized the event themed Energy Rejuvenation, Momentum Launch, establishing policy consultation and psychological care zones to answer employees' concerns and relieve work pressure through interactive games and warm-up activities, thereby enhancing team cohesion.



The Zhengzhou Die-cutting team paid home visits to employees during the Double Ninth Festival

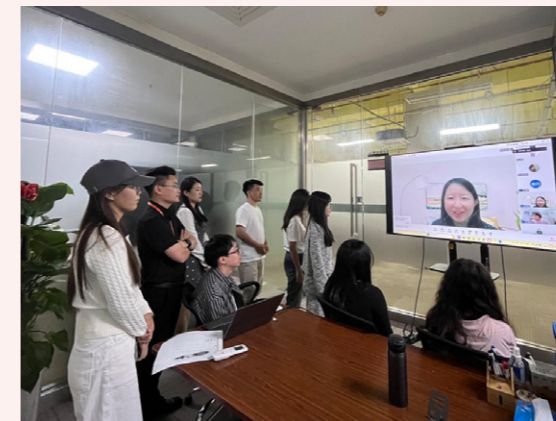


Salcomp Guilin organized free health consultations for employees

Energy Rejuvenation Theme Month, Dedicated to Safeguarding Employees' Physical and Mental Health

LINGYI iTECH consistently focuses on employee well-being and successfully organized a series of Energy Rejuvenation Theme Month activities from October to November 2025. Through diversified formats, these activities enhanced employees' physical and mental health and fostered a positive organizational atmosphere, with broad participation across all sites. During the one-month Energy Rejuvenation Boot Camp, a total of 361 employees participated in daily task check-ins, of whom 25 completed the full 14-day challenge, demonstrating good health habits and sustained motivation.

From awareness-building to practical training, and from knowledge transfer to skills enhancement, this series of activities successfully embedded the concept of healthy living into all aspects of employees' work and life, effectively enhancing health awareness and vitality across the workforce.



Special Training on Identifying Employees' Psychological Risks



Energy Rejuvenation Knowledge Competition

Metrics and Targets

Indicators	Unit	2025
Proportion of Women among Middle and Senior Management Worldwide (Manager Level and Above)	%	20.14
Male-to-female Pay Ratio of All Employees	Ratio	1:0.8
Employee Care Activities Held	no.	446

Employee Training and Development

Governance

LINGYI ITECH values employees' career planning and adheres to the principle of appointing people based on both integrity and capability, with integrity taking priority. We continuously improve and deepen our talent development mechanisms, establishing a training and development system covering the full employee lifecycle from onboarding to job placement and in-service development. Policies such as the Lingyi Group Management Standards and Lingyi Group Training Management Standards clearly set out various training-related management systems, including induction training, job training, on-the-job training, external training standards, and internal trainer management systems, encouraging employees to pursue further studies while maintaining healthy talent mobility.

At the same time, in line with the Company's strategy, and through policies such as the *Position Management Standards*, *Promotion Management Standards*, and *Professional Qualification Certification Management Standards*, we clearly define development paths for each position and establish three promotion channels—operational, professional, and management channels—thereby creating a workplace environment with broad development opportunities.

Impact, Risk, and Opportunity Management

Talent Retention

The Company attaches great importance to talent pipeline development and has established a regular resignation monitoring and analysis mechanism through systematic talent retention plans. We regularly review resignation data, analyze the root causes of employee turnover, and translate the findings into concrete recommendations for improving employee experience and optimizing career development paths, thereby building a virtuous cycle of talent development and retention.

Employee Retention Measures

- Develop competitive salary and benefits packages, including incentive bonuses tailored to the characteristics of each position
- Identify high-potential and key talent, and provide appropriate support during promotion and other career development stages
- Conduct periodic employee exchange meetings and forums
- Organize exit interviews with departing employees
- Implement various leadership enhancement projects aimed at improving management skills at all levels
- Introduce ESOPs to increase retention rates among key personnel
- Incorporate key talent retention rates into performance evaluation metrics
- Monitor monthly employee turnover rates; if the turnover rate exceeds control limits, develop and implement targeted improvement measures

Talent Review

The Company attaches great importance to talent reserves and incentives, continuously advancing talent review processes, focusing on key businesses and positions, and establishing a scientific talent evaluation mechanism. Key talent is identified through assessments of potential and performance, and is supported through dedicated promotion channels and incentive programs, including equity incentives, performance bonuses, employee benefits, and development opportunities. Core talent supporting the implementation of the Company's strategy is systematically identified, and a structured talent pool of successors is established.

Career Development

We provide employees with clear and diversified career development pathways, with promotion systems covering operational, professional, and managerial tracks. Employees in the operational track may be promoted upon meeting experience and performance requirements; advancement in the professional track requires rigorous evaluation of contributions and assessment by professional committees; managerial promotions prioritize internal successors, supported by strict nomination reviews and post-promotion assessment periods.

In 2025, the Company optimized the T-series career development pathway by standardizing the former "Academician" role as "Technical Expert", while retaining the "Academician" title as an internal honor with associated benefits, thereby enhancing standardization and strengthening recognition-based incentives.

Strategy

We are strongly committed to establishing an enabling platform for employees' career development, achieving value co-creation between employees and the Company. Through comprehensive development mechanisms, transparent career pathways, and a holistic incentive system, we build a structured talent pipeline that supports both current and future strategic needs. By activating internal talent potential, aligning closely with business requirements, strengthening technical talent empowerment, enhancing leadership capabilities at all levels, and advancing international talent development, we lay a solid foundation for sustainable growth and organizational resilience.

New Employee Development

The Company has established a multi-level and comprehensive training system and continues to optimize its online learning platforms, Lingyi Academy and Cloud Classroom, providing flexible learning pathways and course resources. In 2025, to address large-scale onboarding, the Company launched a digital transformation project for training frontline and functional employees, developing online micro-courses and standardized curricula covering corporate culture and institutional policies, thereby improving onboarding efficiency and learning effectiveness.

Development of Internal Trainer Team

The Company places great emphasis on building an internal trainer team, recognizing internal trainers as key drivers of knowledge transfer and skills enhancement. Regular TTT (Training the Trainer to Train) programs are conducted, focusing on core competencies such as instructional methods, trainer presence, questioning and feedback, and facilitation skills. In 2025, more than 100 new trainers were certified, and through Teachers' Day activities, over 50 outstanding trainers were selected, continuously strengthening internal knowledge transfer capabilities.

Digital Transition Empowerment

The Company emphasizes digital transition empowerment centered on human-machine collaboration and launched the "Thousand-Hand Bodhisattva Development Program" in 2025. This program provides three levels of empowerment through intelligent tools—freeing hands (automation execution), equipping new intelligence (decision support), and extending reach (cross-domain integration). Combined with training, assessments, assignments, practical applications, and certification, the program cultivates AI talent across the Group, lowers technical barriers, improves work efficiency, and enables deep integration of AI with traditional industrial equipment.

Leadership Development

To build a systematic and sustainable leadership pipeline, the Company has established a multi-level and multi-stage successor development system. Programs such as Future Stars, the Green Orange Program, and the New Director Transition Program work in synergy to strengthen talent depth and support long-term organizational development.

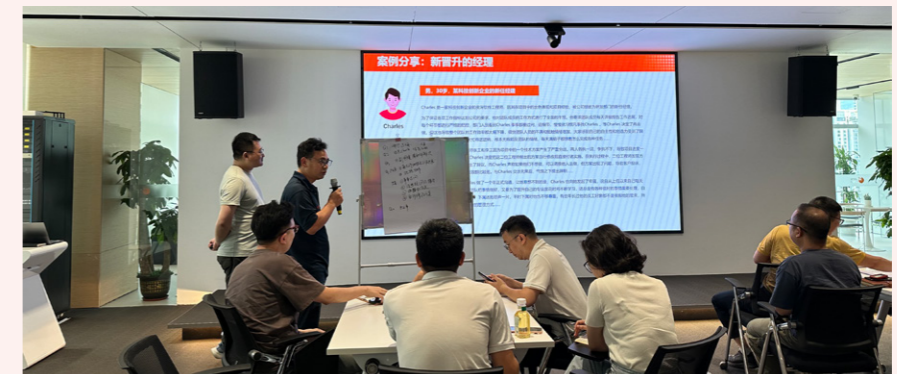
Leading the Future	<ul style="list-style-type: none"> The Company expanded its "Leading the Future" management trainee program. In 2025, 487 trainees were recruited, representing a 38% increase year-on-year. Through a closed-loop approach of selection, development, and retention, the program accelerates the transition from graduates to core business contributors.
"Green Orange" Young Talent Program Phase II	<ul style="list-style-type: none"> Targeting high-potential young talents under the age of 30, the program integrates action learning with Individual Development Plans (IDPs), delivering six practical courses and mentoring. 95% of participants reported strong alignment, with many achieving promotions or salary increases.
New Director Program	<ul style="list-style-type: none"> Using a closed-loop approach of assessment, learning, practice, evaluation, and review, the program delivers tailored training on role awareness and team management. Supported by a "mentor + HRBP + leadership management" mechanism, customized courses such as <i>Role Awareness for New Directors</i>, <i>Gold-standard Interviewer</i>, and <i>Belbin Team Workshop</i> effectively support the transition of new directors from business experts to team leaders, building a management pipeline with systematic thinking and strategic execution capabilities.
Manager-level Leadership Development	<ul style="list-style-type: none"> Guided by the Leadership Model 2.0, the Company provides accelerated development programs for managers, adopting a "training plus practice" model. More than 150 training sessions were conducted, with over 5,000 participants, effectively enhancing strategic execution and collaboration capabilities within management teams.

Structured Leadership Training Empowering Management Talent Development

LINGYI iTECH continues to advance leadership capability enhancement initiatives. In 2025, the Group launched a dedicated leadership development program for newly appointed directors, with 32 directors completing role transformation through case analysis, practical tools, and self-reflection. In November, the course *Organizational Capability and Talent Pipeline Development* was introduced, further enhancing directors' coordination capabilities and injecting momentum into organizational development.

As the Group's first dedicated development program for manager-level personnel, the management capability enhancement program focuses on four core competencies—driving initiatives, delivering results, developing talent, and effective communication—under Leadership Model 2.0. The program includes courses such as *Stepping onto the Management Stage*, *Business Simulation Sandbox*, *Three-step Delegation Method*, *Three-step Execution Method*, and *Solving Complex Problems with Simple Methods*. Through structured learning and practical scenarios, it enabled 667 M-series managers and 626 secondary-role/successor candidates to achieve significant improvements in management capabilities, injecting new momentum into the development of the management talent pipeline.

The South China CNC unit launched the "Fortification Program" for supervisor-level talent development in early October, with initial training focusing on *Leadership Enhancement: Solving Complex Problems with Simple Methods*, enhancing decision-making capabilities through tools such as logic trees and the 5WHY analysis method. At the same time, South China CNC launched a dedicated training program for newly appointed managers, centered on the Lingyi Leadership Model 2.0, adopting a closed-loop learning approach of preparation–learning–application–practice, supported by the Lingyi Academy platform for full-process management.



The Group launched a management capability enhancement program for manager-level personnel

Youth Talent Development System Accelerating Growth of Emerging Talent

LINGYI ITECH places great importance on building a young talent pipeline. In July 2025, the fourth Future Stars management trainee training program concluded simultaneously in Dongguan, Guilin, Dongtai, and Chengdu. A total of 483 trainees completed a two-week intensive program, achieving transformation from students to professionals. The program included 112 classroom sessions, 12 senior management sharing sessions, and 194 hours of instruction delivered by 92 trainers, achieving a satisfaction rate of 99.2%. The Company assigned 442 workplace mentors and 144 life mentors to trainees. During production line training, trainees completed over 110 process operations and submitted over 1,600 training logs, achieving integration of knowledge and practice.

During the same period, the Green Orange Program, covering 13 business units and 376 young talents, completed a six-month offline training session. The program adopts a closed-loop model of online assessment, targeted empowerment, and offline practical training. Using three assessment tools to map capability profiles, participants achieved notable improvements in work efficiency and problem-solving capabilities. Incentive mechanisms such as priority promotion and salary adjustments were also introduced.

In August, sites such as South China CNC and Guilin Structural Parts simultaneously launched new management trainee development programs. Through mentoring ceremonies, production line practice, and the "five-dimensional growth model", these initiatives support new employees in integrating quickly. These training programs reflect the Company's people-oriented management philosophy and long-term talent strategy, laying a solid foundation for new employees to establish themselves and grow alongside the Company.



Guilin Structural Parts "Lead the Future" Graduate Program



South China CNC Management Trainee Forum

In-service Education and External Learning

The Company places great importance on employees' academic advancement and professional qualification development, providing comprehensive support to enable mutual growth of employees and the Company. Based on actual needs, the Company collaborates with external universities and institutions to offer programs for academic advancement and professional skill enhancement. Financial assistance is provided to support employees in completing their studies. All employees, including part-time employees and contractors, are supported in pursuing degrees/diplomas and certifications, with training costs reimbursed for eligible employees. In 2025, the Company reimbursed tuition fees for 79 key talents, totaling RMB410,000. This covered core personnel across the T-series technical roles, functional positions, and sales roles.

Metrics and Targets

In the future, the Company will continue to advance key initiatives such as enhancing technical talent capabilities, cultivating international talent, and strengthening leadership development. Focusing on talent identification, capability development, and talent pipeline construction, we will continuously improve talent standards and evaluation mechanisms. Through diversified measures such as competitions, upgraded learning maps, and deepened industry-academia collaboration, we will build a solid talent foundation to support sustainable business growth.

Indicators	Unit	2025
Total Global Training Investment	RMB10,000	9,344.60
Number of Participants in Online and Offline Training	no.	97,080
Total Training Hours	hours	4,799,805.55
Training Coverage	%	96.66

Driving Collective Impact

LINGYI iTECH adheres to the sustainable supply chain management philosophy of "green, ethical and mutually beneficial", strictly controlling controversial sourcing, ensuring equal treatment of SMEs, and promoting a fair and transparent business environment. The Company has established a full-process management system covering supplier admission, development, and exit. By strengthening supply chain risk management and compliance training, we enhance supply chain resilience, work with industry partners to promote green transformation, and build an industrial ecosystem characterized by shared responsibility and shared value.



Related Topics

- Sustainable Supply Chain
- Community Investment
- Equal Treatment of SMEs

SDG Alignment

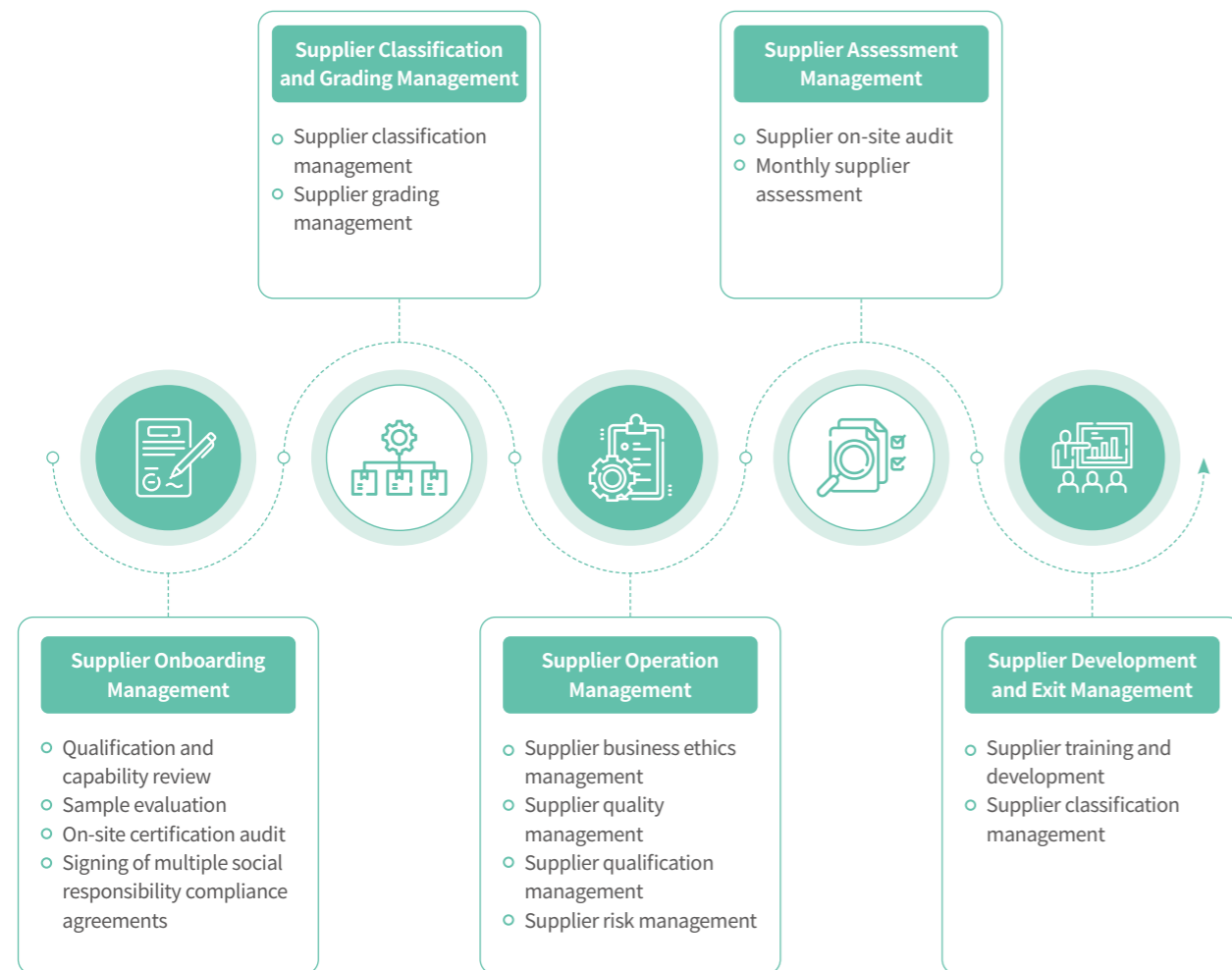


Sustainable Supply Chain

Governance

We have established a supply chain governance framework centered on systems and processes, aiming to build a green, ethical, and resilient sustainable supply chain. The Company is committed to developing a supply chain system that integrates sustainability, inclusiveness, and technological advancement. To this end, we have formulated core systems such as the *Supplier Management Procedures*, *Procurement Control Procedures*, and *Supplier Grading Management Standards*, continuously standardizing and upgrading full-process management.

Based on sustainable development principles, we have established a complete closed-loop management system covering supplier onboarding, classification and grading, operation, assessment, development, and exit. Admission management includes qualification review, sample evaluation, on-site audits, and agreement signing; operational management covers business ethics, quality, qualification, and risk management; and assessment management includes on-site audits and monthly evaluations, continuously enhancing supply chain management effectiveness.



LINGYI iTECH Supplier Management System

Impact, Risk, and Opportunity Management

To prevent environmental and social risks within the supply chain, the Company builds a green and ethical sustainable supply chain, requiring all business activities to comply with codes of conduct and embedding risk management throughout the entire process. Suppliers are required to sign the *Supplier Commitment to Fulfillment of Social Responsibility* and *Supplier Operational Risk Management Requirements*, which stipulate that in the event of major operational risks, suppliers must report within four hours and submit recovery plans. On a monthly basis, we use the Supplier System Audit Form to require suppliers to conduct self-inspections on quality, hazardous substances, social responsibility, and information security. We adopt a zero-tolerance approach towards any serious human rights, labor, integrity, and environmental issues identified, and mandate that they rectify the problems within a specified time frame.

At the same time, green supply chain development is deeply integrated with risk management. Through the Institute of Public and Environmental Affairs (IPE), we continuously monitor environmental performance across the supply chain and incorporate requirements such as environmental friendliness, non-hazardous materials, and recyclability of packaging into supplier evaluations, systematically driving green transformation of the supply chain. To ensure effective governance, the Company has established multi-channel supervision mechanisms, including the Lingyi Integrity Supervision Hotline, forming a robust system combining institutional constraints, contractual implementation, and external supervision.

Strategy

Supplier Onboarding

To ensure a robust and reliable supply chain, the Company has established a multi-level, full-chain supplier onboarding management mechanism. Suppliers are required to sign a series of agreements, including *Environmental Protection Agreements*, *Supply Quality Assurance Agreements*, *Supplier Integrity Agreements*, *Supplier Commitment to Fulfillment of Social Responsibility*, *REACH SVHC Substance Survey Forms*, *Environmental Substance Control Standards Lists*, *Supplier Operational Risk Management Notices*, *Product Environmental Compliance Declarations*, and *Integrity Declarations*. A secondary supplier management mechanism is also implemented to cascade quality and environmental requirements upstream, ensuring environmental compliance across the entire product value chain.

We regard social responsibility and diversity and inclusion (D&I) as core admission criteria. In daily quotation and order management, priority is given to suppliers with strong performance in diversity and inclusion. Suppliers are required to complete self-assessments through the *Supplier Evaluation Questionnaire* and sign the *Diversity and Inclusion Commitment Letter*. The admission process includes refined on-site verification, covering corporate qualifications, compliance, sample quality, adherence to environmental standards, and raw material traceability. New suppliers become temporary partners upon passing on-site audits. After six months of cooperation without abnormalities, suppliers may apply to become qualified suppliers and be formally included in the *Qualified Supplier Roster*.

Supplier Audits

The Company has established a multi-dimensional supplier audit system covering compliance, environmental, social, and governance indicators. In accordance with the *Supplier Grading Management Standards*, suppliers are categorized into qualified, restricted selection, and eliminated categories. Regular upgrade and downgrade reviews are conducted, combining supplier self-assessments with on-site audits. Evaluations cover quality management systems, training management, development and design capabilities, hazardous substance management, and process control, as well as corporate social responsibility, environmental protection, occupational health and safety, hazardous materials management, business ethics, human rights protection, and conflict minerals management.

In monthly performance evaluations, the Procurement Department, Supplier Quality Engineering (SQE), Engineering Department, and Incoming Quality Control (IQC) jointly assess suppliers based on the *Specification for Supplier Scoring Rules*, covering quality, cost, delivery, service, and environmental compliance, categorizing suppliers into four grades: A, B, C, and D. For suppliers rated C or D with high procurement volumes, more stringent annual audits are initiated. If performance in annual audits is unsatisfactory, suppliers are required to propose specific improvement measures within one week and commit to completing all rectifications within one month.

Supplier Grading	
Grade A	Priority procurement of materials from them (e.g., priority for new project development, increased procurement.)
Grade B	Maintenance of materials at original purchase level
Grade C	Delay the payment for one month while continuing to purchase materials. The supplier will have one month to improve and will have to accept a comprehensive re-evaluation. If the rating remains C the following month, the delay will be three months for the payment, and we can continue to purchase materials. The supplier will have one month to improve and will have to accept a comprehensive re-evaluation. If the rating is D the following month, the purchase amount will be reduced. We can still continue to purchase materials, and the supplier will have one month to improve and will have to accept a comprehensive re-evaluation. If the rectification is successful, the original purchase amount will be maintained.
Grade D	Payment can be delayed for three months. The goods can still be purchased, and a comprehensive assessment will be conducted again within one month. If the rating is C the following month, the payment can be delayed for six months, and the goods can still be purchased. Another comprehensive assessment must be conducted within one month. If the rating is D the following month, the supplier will be directly eliminated. If the rectification is successful, the purchase can continue, but the purchase amount will be reduced.

Sustainable Supply Chain

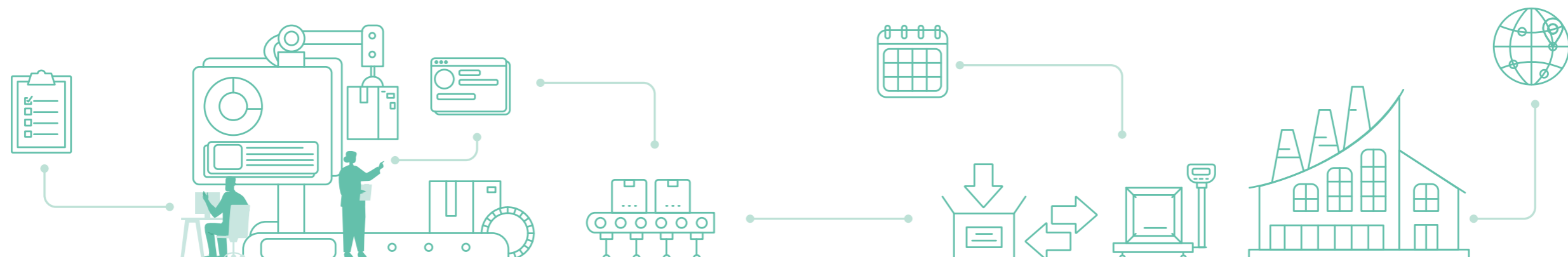
We firmly practice responsible sourcing, requiring suppliers to actively fulfill environmental and social responsibilities, including respecting employees' fundamental human rights, committing to integrity and ethical operations, complying with laws prohibiting child labor, and ensuring employee health and safety, thereby jointly building a responsible supply chain. To ensure environmental friendliness of products, the Company has established the *Green Product Hazardous Substance Control Standards*, providing clear guidance on the prohibition, restriction, and management of environmental substances. Suppliers are required to ensure that supplied products comply with environmental regulations such as the Restriction of Hazardous Substances Directive (RoHS), halogen restrictions, and REACH, and pass the Company's conformity assessments. New suppliers are required to submit material composition analysis reports and provide hazardous substance testing reports at specified intervals. For recycled materials, the Company requires suppliers to hold valid ISO 14021 certification within one year.

Integrity Supply Chain

The Company strictly adheres to the principle of clean procurement. During supplier onboarding, all new suppliers are required to sign the *Supplier Integrity Agreement*, *Supplier Commitment to Fulfillment of Social Responsibility*, and *Integrity Declaration*, achieving a 100% signing rate to define integrity responsibilities at source. In the event of any commercial fraud or integrity violations during cooperation, the Company will immediately initiate a suspension process, remove the supplier from the *Qualified Supplier Roster*, suspend supply permissions, and include the supplier in the *Supplier Blacklist* for permanent termination of cooperation. Through the establishment of the Lingyi Integrity Supervision Hotline and internal audit mechanisms, we have formed a closed-loop management system of "admission control-process supervision-violation handling-continuous optimization", ensuring transparency and fairness in supply chain cooperation.

Supplier Capability Building

We actively establish a multi-dimensional supplier training system covering environmental management, quality management, and digital capability enhancement, supporting suppliers in continuously improving professional skills and management standards, and jointly enhancing supply chain capabilities and overall quality. By working together with suppliers, we are committed to building a collaborative supply chain ecosystem that achieves continuous improvement and efficient operations.





LINGYI iTECH 2025 Supplier Conference Successfully Held

On March 7, the LINGYI iTECH 2025 Supplier Conference was successfully held at our headquarter in Futian, Shenzhen, under the theme "Leading the Future with Intelligence · Benefiting Globally Together". The event brought together 68 high-quality global supplier partners. The conference shared insights on LINGYI iTECH's *Global Business Layout*, analyzed the impact of global economic trends on supply chains, and presented the theme report *Global Strategic Alliance of Supply Chains*, comprehensively outlining LINGYI iTECH's global cooperation strategy and win-win supply chain approach. At the conclusion of the conference, the Chairwoman and the Procurement Department proposed the concept of "Sunshine Purchasing", emphasizing a continued commitment to integrity and compliant operations as the foundation of the Company's development and a key guarantee for achieving sustainable development and an excellent reputation.



LINGYI iTECH Supplier Conference



Speech by Chairwoman Ms. Zeng Fangqin

Metrics and Targets

Indicators	Unit	2025
Number of Suppliers Audited	no.	594
Number of Suppliers Passing Audits	no.	551
Number of Suppliers Failing Audits	no.	43
Number of Suppliers Failing Audits but Rectified within the Time Limit	no.	27
Number of Suppliers Ultimately Terminated due to Audit Failure	no.	16
Supplier Training	no.	331
Number of Suppliers Covered by Training	no.	503

Controversial Sourcing

Governance

We actively incorporate conflict minerals into raw material procurement and supplier management, establishing a core framework and institutional foundation for conflict minerals management. We have formulated the *Conflict Minerals Management Procedure* as the highest guiding document, adopting a zero-tolerance stance towards conflict minerals such as tin, cobalt, tantalum, gold, tungsten, and mica, and strictly prohibiting the procurement of minerals that directly or indirectly finance armed conflicts or involve violence and human rights abuses.

Impact, Risk, and Opportunity Management

The Company strictly follows the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* as its management framework, implementing systematic processes to identify, assess, and manage conflict mineral risks within the supply chain. Conflict minerals due diligence is incorporated into the supplier onboarding mechanism. All suppliers are required to submit the *Supplier Conflict Minerals Questionnaire* and sign the *Supplier Commitment to Conflict-Free Minerals*. All relevant agreements are centrally stored in the Supplier Relationship Management (SRM) system to ensure traceability.

Management level	Specific requirements
Admission and on-going management	<ul style="list-style-type: none"> As a prerequisite for cooperation, suppliers must sign the <i>Supplier Conflict Minerals Questionnaire</i> and <i>Supplier Commitment to Conflict-Free Minerals</i>, committing to 100% responsible sourcing practices and strictly avoiding the use of conflict minerals from the Democratic Republic of the Congo and its surrounding regions under armed control.
Risk identification and assessment	<ul style="list-style-type: none"> For all products and materials that may contain tantalum, tin, tungsten, and gold (3TG), cobalt, and mica, we conduct due diligence using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI), to identify upstream smelter information. We proactively complete CMRT reporting and fully cooperate with customer audits.
Risk mitigation and control	<ul style="list-style-type: none"> Suppliers are required to ensure that their mineral smelters are listed in the RMI-approved smelter list and have passed recognized third-party certification or audits. We actively participate in RMI conflict minerals training and Downstream Assessment Program (DAP) training.
Risk traceability	<ul style="list-style-type: none"> Through the SRM system, conflict minerals management documents are centrally managed online. Batch traceability systems are established using serial labels and shipment labels to ensure long-term traceability and integrity of compliance data.

Strategy

We are committed to establishing a green, peaceful and responsible supply chain. In response to global regulations and customer expectations, the Company has committed to and is promoting that its suppliers conduct responsible procurement of minerals such as tantalum, tin, tungsten and gold (3TG), cobalt, and mica used in production, and explicitly refuse to accept non-compliant minerals from conflict areas and other high-risk regions in the Democratic Republic of the Congo and its surrounding areas. To ensure that delivered products are 100% free from conflict minerals, we embed this objective throughout all stages of the supply chain. We proactively complete declarations and cooperate with customer audits, while requiring suppliers to accurately report and ensure that their upstream smelters comply with international standards such as the Responsible Minerals Initiative (RMI). By participating in industry initiatives and training, and promoting value chain collaboration and information sharing, we continuously internalize global best practices into our management strategies, aiming to jointly establish a fair, transparent, and ethical mineral supply chain system.

Metrics and Targets

During the Reporting Period, we conducted comprehensive CMRT/EMRT investigations covering tantalum, tin, tungsten, gold (3TG), cobalt, and mica, accurately identifying smelter information for all raw materials used in our products. Based on these investigations and our efficient traceability system, we achieved 100% traceability of raw material origins during the Reporting Period and confirmed that all relevant materials were free from conflict minerals, meeting annual compliance targets.

During the Reporting Period, we completed comprehensive due diligence on key raw materials—including 3TG, cobalt, and mica—using CMRT/EMRT frameworks, ensuring that all relevant product materials underwent rigorous third-party certification processes. Through this process, we accurately identified smelter information and ensured that all products complied with the highest industry standards for conflict minerals. At the same time, leveraging robust traceability and supply chain transparency mechanisms, we achieved 100% traceability of raw material origins and confirmed that all materials complied with due diligence requirements and were free from conflict mineral sources.

Possible Countries of Origin for Gold	Benin, Canada, Chile, Guyana, Papua New Guinea, the Philippines, Sweden, Uzbekistan, Japan, etc.
Possible Countries of Origin for Tantalum	Australia, China, France, Madagascar, Sierra Leone, Spain, Thailand, etc.
Possible Countries of Origin for Tin	Australia, China, Indonesia, Laos, Malaysia, Mongolia, Namibia, Peru, Portugal, Spain, Vietnam, etc.
Possible Countries of Origin for Tungsten	Australia, Brazil, China, Malaysia, Mongolia, Portugal, Spain, Thailand, the United Kingdom, the United States, etc.
Possible Countries of Origin for Cobalt	Indonesia, Canada, Australia, the Philippines
Possible Countries of Origin for Mica	Brazil, China, Madagascar, Canada, the United States, etc.

Equal Treatment of SMEs

LINGYI ITECH is committed to building a fair, transparent, and sustainable supply chain ecosystem, treating all partners, including small and medium enterprises, equally. In supplier onboarding, procurement decisions, payment cycles, technical support, and resource allocation, we consistently adhere to non-discrimination principles, ensuring that small and medium enterprises have equal opportunities to compete with larger enterprises. We also promote stable and efficient payment processes to safeguard the legitimate rights and interests of SMEs. During the Reporting Period, there were no cases of significant overdue payments to small and medium enterprises.

Caring for Communities

Social Welfare

While continuously developing its business, LINGYI ITECH integrates corporate value with social value and regards social welfare as an important corporate responsibility and social mission.

During the Reporting Period, we carried out a series of public welfare and volunteer service initiatives, delivering corporate care through diverse approaches and fulfilling social responsibilities.

Employment Support for Persons with Disabilities

We have provided 1,739 employment opportunities for people with disabilities throughout the year, facilitating their integration into the workplace, enhancing confidence, and enabling them to grow their career while contributing to the Company's development.

Community Services

The Company established four "Warm Care Stations" in Shenzhen, Dongguan, Chengdu, and other locations, providing rest areas, drinking water, and emergency medical supplies for community groups such as elderly residents and sanitation workers. Additionally, 12 Community Clean-up Day activities were organized to improve local living environments.

Charity Auction

The Huangjiang Stamping site organized the "Children's Art for Love" charity auction, exhibiting 41 artworks created by employees' children, with all proceeds donated to UNICEF to support global child education and protection programs.

Voluntary Blood Donation

In 2025, the Group organized six blood donation events, attracting 218 employee participants and collecting a total of 65,400 ml of blood, supporting over 100 clinical surgeries.

Public Welfare Initiatives of Salcomp Brazil

In September 2025, our volunteers participated in the "Environmental Paddle" initiative, contributing to the clean-up and conservation of rivers in Manaus, Brazil.

In December 2025, the Company partnered with the Association of Parents of Mentally and Multiply Disabled Children to carry out a donation program benefiting 76 children in need. These initiatives not only provided care and support to children but also demonstrated the Company's commitment to caring for vulnerable groups and fulfilling corporate responsibilities.



"Environmental Paddle" Public Welfare Activity



Charitable Donation Program

During the Reporting Period, the Company donated	In addition, employees participated in	contributing a total of
RMB 100,000	110	830
to the Huangjiang Charitable Foundation in Dongguan	person-times of volunteer service activities	volunteer hours

Rural Revitalization and National Strategy Alignment

LINGYI ITECH actively responds to national initiatives to consolidate and expand poverty alleviation achievements, consistently prioritizing agricultural support and rural development as key aspects of corporate social responsibility, contributing to increased agricultural efficiency and farmers' income.

Harvest for Good: Grape Sale Supporting Local Farmers

In July 2025, our subsidiary Guilin Lingyi Manufacturing Co., Ltd. organized a "Charity Grape Harvesting and Sale" activity in Sitang Township, supporting local farmers and contributing to rural revitalization.

A total of 75 employees participated, each contributing eight hours, harvesting 500 kilograms of grapes. Farmers were paid in full at market prices, effectively increasing their income.

Proceeds from the subsequent grape sale were fully allocated to supporting people with disabilities, combining agricultural assistance and social welfare in a dual-impact initiative.



Grape Harvesting



Grape Sale

We actively participate in rural cultural and educational development, focusing on the needs of children with special needs in rural areas and supporting rural education through practical actions.

Inclusive Public Welfare Activity at Dayi Special Education School

In December 2025, our subsidiary Chengdu Lingyi Technology Co., Ltd. organized employee volunteers to visit Dayi County Special Education School, carrying out a warm and caring public welfare initiative. Through activities such as science classes, interactive games, group birthday celebrations, and donation of supplies, volunteers provided companionship and care to over 30 children with special needs.

Volunteers paired one-to-one with children, using interactive experiments and hands-on activities to stimulate interest in learning, enrich extracurricular life, and help some children gradually open up emotionally, conveying genuine warmth and care. At the same time, the Company donated over 200 items of teaching and living supplies, alleviating resource shortages and supporting daily teaching and basic living needs.

This initiative not only delivered care and support to children with special needs and contributed to rural special education development, but also enhanced employees' sense of belonging and social responsibility, consolidating the Company's positive social impact.



During the Reporting Period, LINGYI ITECH did not make specific investments or donations in rural revitalization projects. However, the Company and its subsidiaries contributed to rural revitalization through ongoing public welfare agricultural initiatives and material donations.

Advancing Together with the Industry

As a globally leading core supplier of AI terminal hardware, LINGYI ITECH not only strengthens its own capabilities but also places great emphasis on industry collaboration. Through enhanced industry cooperation and integration of industry-academia-research innovation, we contribute to the co-development of the industrial ecosystem and support the industry in advancing to a higher level.

Industry Collaboration and Networking

LINGYI ITECH actively engages in industry exchange and collaboration, continuously strengthening coordination with upstream and downstream partners across the industrial chain. We work together to build an open and mutually beneficial industrial ecosystem, promoting collaborative innovation and high-quality development in the field of intelligent manufacturing.

Lingyi Robotics Experts Deliver Keynote Speeches at Major Industry Conferences

In 2025, technical experts from Lingyi Robotics, our subsidiary delivered keynote speeches at two major industry conferences, systematically outlining the full industrialization pathway of embodied intelligence, from hardware manufacturing to data-driven applications.

On December 16, Mr. Yu Lei, the Company's technical lead, stated at the 12th Gaogong Robotics Annual Conference themed "Embodied Awakening, Intelligent Transformation and Advancement" that the realization of embodied intelligence depends on the deep integration of highly reliable manufacturing systems, complex electromechanical capabilities, and real industrial scenario data.

On December 19, Mr. Wang Bingcheng, a technical expert of the Company, further elaborated on this development pathway at the Shenzhen Robotics Association's "Intelligent Future, Infinite Robotics" Members' Conference and 2025 Awards Ceremony. He emphasized that embodied intelligence is a highly systematized industrial engineering endeavor requiring support from precision manufacturing capabilities, complex electromechanical system integration, and accumulated industrial scenario data.

The two speeches jointly highlighted that, leveraging a solid manufacturing foundation, the Company is advancing a strategic transformation from hardware capability output to system-level solutions under the framework of "manufacturing as the foundation, scenarios as the bridge, and data as the engine", working with ecosystem partners to promote the engineering implementation and large-scale application of embodied intelligence technologies.



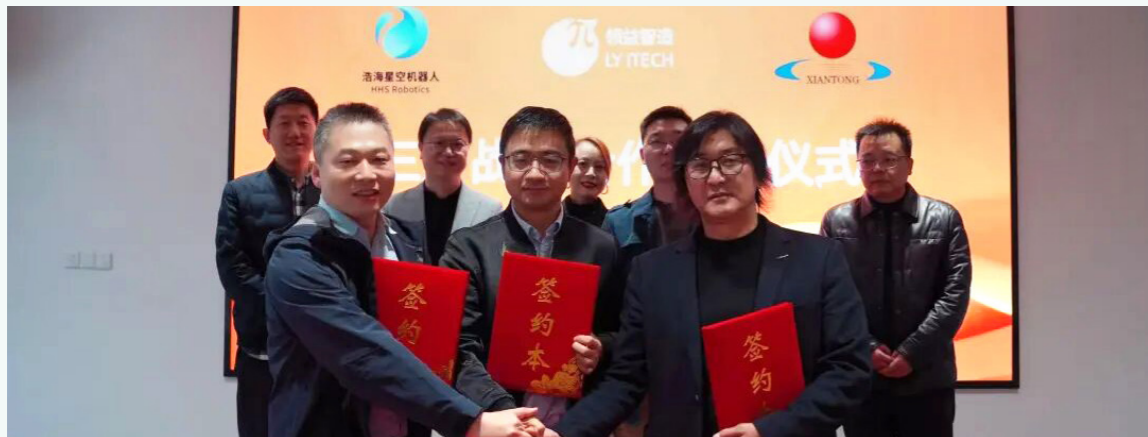
The Company's technical lead, Yu Lei, attended the 12th Gaogong Robotics Annual Conference themed "Embodied Awakening, Intelligent Transformation and Advancement"



The Company's technical expert, Wang Bingcheng, attended the Shenzhen Robotics Association's "Intelligent Future, Infinite Robotics" Members' Conference and 2025 Awards Ceremony

Strategic Cooperation Agreements with Industry Partners

On December 26, Shenzhen Lingyi Robotics Technology Co., Ltd. (hereinafter referred to as "Lingyi Robotics"), a subsidiary of LINGYI iTECH, signed a strategic cooperation agreement with Shanghai HHS Robotics Co., Ltd. (hereinafter referred to as "HHS") and Zhejiang Xiantong Rubber & Plastic Co., Ltd. (hereinafter referred to as "Zhejiang Xiantong"). The cooperation follows the principle of "precise division of labor and complementary strengths" and focuses on four key areas: centralized procurement agency, manufacturing, scenario innovation, and standard setting. The initiative aims to accelerate the industrial deployment of embodied intelligent robots and jointly build a full-chain industrial ecosystem covering R&D, production, and application.



Strategic Cooperation among LINGYI iTECH, HHS, and Zhejiang Xiantong

Robotics Strategy Launch

On June 26, LINGYI iTECH successfully held a Robotics Strategy Launch event at its headquarter in Futian, Shenzhen, officially announcing its "three-in-one" strategic layout, four core advantages, product matrix, and application scenarios in the robotics field to a global audience. This marked the full implementation of its strategic transformation from precision manufacturing in consumer electronics to the robotics hardware sector. The conference attracted participation from 16 industry partners, including the Beijing Humanoid Robotics Innovation Center, Fourier Robotics, and Zhiyuan New Innovation Technology, as well as representatives from more than 30 upstream and downstream enterprises.

The event not only demonstrated LINGYI iTECH's leading capabilities in embodied intelligent hardware but also marked the official launch of a collaborative innovation ecosystem for the robotics industry.



LINGYI iTECH successfully held a robotics strategy launch conference at its Shenzhen Futian headquarters

Industry-Academia-Research Integration and Innovation

We collaborate closely with universities and research institutions to advance industry-academia-research integration, jointly establishing R&D platforms to accelerate technological iteration and industrial upgrading.

University-Enterprise Exchange Exploring New Pathways for Industry-Education Integration

On April 11, a university-enterprise exchange event co-organized by the National Robotics System Integration Industry-Education Integration Consortium and Shenzhen Dobot Corp., Ltd. was successfully held at LINGYI iTECH. Under the theme "Enterprise Visits for Job Expansion-Industry-Education Integration for an Intelligent Future", the event used embodied intelligent robotics technology as a platform to explore new models of industry-education integration, promote the optimization of academic programs and curricula, and support the development of collaborative platforms between universities and enterprises. The event attracted over 80 representatives from more than 40 universities, including Shenzhen University, Xiangtan University, and Guilin University of Electronic Technology.

This exchange not only strengthened cooperation between LINGYI iTECH and universities but also provided new insights into industry-academia collaboration. Looking ahead, LINGYI iTECH and Dobot are expected to achieve further progress in areas such as technological R&D and talent development, contributing to the advancement of China's intelligent manufacturing industry.



A university-enterprise exchange event co-organized by the National Robotics System Integration Industry-Education Integration Consortium and Shenzhen Dobot Corp., Ltd. was successfully held at LINGYI iTECH

Appendix

ESG Performance Summary

Indicators	Unit	2024 ⁸	2025
Environmental			
Water use			
Total water withdrawal	tonnes	7,451,083.41	7,784,214.37
Total water consumption (excluding recycled water)	tonnes	7,291,471.61	7,209,072.33
Recycled water consumption (reclaimed water reuse)	tonnes	/	13,850.00
Water consumption intensity	tonnes per RMB10,000 revenue	1.65	1.40
Total wastewater discharged	m ³	1,481,337.43	2,607,475.24
Chemical oxygen demand (COD) emissions	tonnes	104.55	101.85
Ammonia nitrogen emissions	tonnes	2.21	3.67
Biochemical oxygen demand (BOD ₅)	tonnes	12.35	25.71
Total phosphorus	tonnes	0.00	2.36
Petroleum substances	tonnes	0.00	0.53
Suspended solids (SS)	tonnes	18.26	27.72
Other emissions	tonnes	32.44	10.57
Exhaust gas			
Total exhaust gas emissions	m ³	40,131,900,607.06	35,130,373,515.33
Nitrogen oxides (NOx)	tonnes	8.58	18.32
Sulphur oxides (SOx)	tonnes	6.86	4.67
Particulate matter (PM)	tonnes	96.29	119.81
Volatile organic compounds (VOCs)	tonnes	32.33	44.79
Xylene	tonnes	0.00	1.24
Sulfuric acid mist	tonnes	0.00	1.05
Persistent organic pollutants (POPs)	tonnes	0.00	2.54
Hydrogen sulfide	tonnes	10.34	21.44
Other waste gas emissions	tonnes	11.76	16.44
Waste			
Total hazardous waste generated	tonnes	41,279.24	51,659.48
Sludge	tonnes	7,930.33	11,820.03
Waste cutting fluid	tonnes	915.26	866.39

⁸ The 2024 data in the ESG Performance Summary table in the Report covers our global production and operations, whereas the data disclosed in the *2024 Sustainability Report* covered only operations within Chinese mainland. For details on adjustments to the reporting scope and boundaries, please refer to the "Scope and Boundaries" section. The updated data reflects our strong commitment to global sustainability governance and our enhanced capabilities in ESG data tracking and management, providing a more comprehensive basis for decision-making in support of the Company's sustainability efforts.

Indicators	Unit	2024 ⁸	2025
Oily floor washing wastewater	tonnes	8,214.62	5,978.68
Waste organic solvents	tonnes	431.37	530.91
Waste mineral oil	tonnes	144.05	96.15
Waste packaging containers/drums	tonnes	999.86	1,260.21
Waste batteries	tonnes	7.68	12.11
Spent activated carbon	tonnes	114.57	148.75
Waste circuit board	tonnes	374.09	122.05
Waste adhesives	tonnes	20.34	15.62
Waste paint residue	tonnes	322.66	0.79
Waste electroplating sludge	tonnes	52.86	0.00
Other statistically significant hazardous wastes	tonnes	21,011.84	30,268.94
Hazardous waste recycled	tonnes	902.83	735.47
Hazardous waste disposal	tonnes	39,029.90	50,622.29
Hazardous waste discharge intensity	tonnes per RMB10,000 revenue	0.01	0.01
Total non-hazardous waste generated	tonnes	70,252.11	85,824.55
Non-hazardous waste recycled	tonnes	62,207.99	61,559.72
Domestic waste/office waste	tonnes	/	9,467.12
Kitchen waste	tonnes	/	1,719.33
Industrial waste	tonnes	/	74,545.63
Other non-hazardous waste	tonnes	/	92.48
Refrigerants			
R404a	kg	4.00	0.00
R134a	kg	1,096.00	1,205.00
R410A	kg	929.70	1,818.80
R-22	kg	1,064.60	1,581.60
R-32	kg	1,621.25	1,702.50
R-12	kg	0.00	0.00
R407C	kg	116.00	74.00
Other categories	kg	0.00	103.00

Indicators	Unit	2024 ⁸	2025
Energy consumption			
Total energy consumption	MWh	1,269,703.69	1,897,793.37
Natural gas ⁹	m ³	3,770,041.43	6,518,048.34
Natural gas	L	335,363.31	291,666.24
Diesel oil	L	1,289,531.47	1,285,472.80
Liquefied petroleum gas (LPG)	m ³	364.99	91.86
Energy consumption intensity	MWh per RMB10,000 revenue	0.29	0.37
Purchased electricity consumption	kWh	1,131,691,944.43	1,379,317,673.23
Purchased electricity consumption intensity	kWh per RMB10,000 revenue	255.69	269.06
Purchased steam	GJ	66,187.50	143,113.30
Total purchased green electricity/renewable electricity ¹⁰	kWh	60,484,682.92	392,222,101.00
of which: solar photovoltaic power generation	kWh	46,516,112.92	53,353,798.18
of which: wind power generation	kWh	13,968,570	42,484,196.02
Green certificates/renewable energy certificates purchased	kWh	604,908,000.00	703,062,485.69
Greenhouse gas ("GHG") emissions			
Total GHG emissions ¹¹	tCO ₂ e	4,839,189.29	5,362,205.51
Scope 1	tCO ₂ e	20,087.76	28,515.60
Scope 2	tCO ₂ e	653,612.48	978,336.22
Scope 3	tCO ₂ e	4,165,489.05	4,355,353.68
GHG emissions intensity	tCO ₂ e per RMB10,000 revenue	1.09	1.04
Scope 1	tCO ₂ e per RMB10,000 revenue	0.005	0.006
Scope 2	tCO ₂ e per RMB10,000 revenue	0.15	0.19
Scope 3	tCO ₂ e per RMB10,000 revenue	0.94	0.85
Materials			
Packaging materials – paper	tonnes	7,740.10	18,389.77
Packaging materials – plastics	tonnes	34,780.76	41,059.18
Office paper consumption	tonnes	44.75	212.70
Other packaging materials	tonnes	/	19,556.47
Environmental investment			
Total Environmental Investment	RMB10,000	7,697.18	11,220.19

9 The natural gas consumption for Chinese mainland disclosed in the 2024 Sustainability Report was previously reported as 1,944,010 m³ and has been corrected to 3,749,495 m³. The global natural gas consumption for 2024 was 3,770,041.43 m³. The fluctuation in natural gas consumption was attributable to a significant increase in the number of production lines at certain subsidiaries in 2025, which in turn led to an increase in total natural gas consumption.

10 The Report's Energy Management section reports on practices of certain subsidiaries deploying solar photovoltaic and wind power generation. As these renewable energy facilities are operated jointly with external energy providers, their generation is accounted for under purchased green electricity/renewable electricity consumption.

Indicators	Unit	2025
Social		
Employee Diversity		
Total number of employees	no.	100,434
By gender		
Male	no.	60,547
Female	no.	38,404
Other ¹²	no.	1,483
By age		
<20 years old	no.	4,450
Aged 20-29	no.	40,553
Aged 30 to 39	no.	34,989
Aged 40 to 49	no.	16,820
50 and above	no.	2,121
Other ¹²	no.	1,501
By department		
STEM departments (science, technology, engineering and mathematics-related departments)	no.	8,510
Revenue-generating departments (e.g. operations, sales)	no.	1,193
By job level		
Senior management (above the rank of Director)	no.	68
Director	no.	237
Senior Manager	no.	390
Manager	no.	2,544
Supervisor and below	no.	14,113
General staff	no.	83,082
By position		
Production staff	no.	86,585
Sales staff	no.	1,193
Technical and R&D Personnel	no.	7,935
Management, administration and finance staff	no.	4,721

11 Greenhouse gas emissions are calculated using the operational control approach. Scope 1 emissions are derived from the consumption of fuels such as petrol, diesel, natural gas, and liquefied petroleum gas (LPG) during operations; Scope 2 emissions are derived from purchased electricity and heat consumption; Scope 3 emissions include five categories: Category 1 Purchased Goods and Services; Category 3 Fuel- and Energy-related Activities; Category 6 Business Travel; Category 7 Employee Commuting; and Category 12 End-of-life Treatment of Sold Products.

Scope 1 and Scope 2 emissions are calculated with reference to standards including *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T 32150-2025)*, *General rules for calculation of the comprehensive energy consumption (GB/T2589-2020)*, *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, and the *Announcement on the Release of CO₂ Emission Factors for Electricity in 2022 and Announcement on the Release of CO₂ Emission Factors for Electricity in 2023* issued by the Ministry of Ecology and Environment. Scope 3 emissions are calculated with reference to the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

12 "Others" refers to cases where data could not be collected or obtained due to restrictions relating to overseas information and privacy protection.

Indicators	Unit	2025
By education		
Ph.D.	no.	18
Master's degree	no.	858
Bachelor's degree	no.	11,519
Associate degree	no.	17,266
Others	no.	70,773
By location		
Within the province of registration	no.	20,136
Outside the province of registration	no.	63,331
Overseas (outside the Chinese mainland)	no.	16,967
By region		
China (Including the Chinese mainland, Hong Kong, Macao, and Taiwan)	no.	83,530
Asia (excluding China)	no.	13,458
Europe	no.	490
North America	no.	1,501
South America	no.	1,455
Social Responsibility hiring types		
Number of employees with disabilities	no.	838
Number of veteran employees	no.	877
Total number of employees from ethnic minority groups	no.	12,454
Number of ethnic minority groups represented among employees	no.	44
By ethnicity/race		
Han Chinese	no.	71,044
Other ethnic groups	no.	12,457
By contract type		
Number of permanent employees (open-ended employment contracts)	no.	18,005
Number of fixed-term contract employees	no.	65,759
Number of labor dispatch employees	no.	16,670
Number of full-time employees	no.	100,434
Number of part-time employees	no.	0
Gender ratio of middle and senior management		
Male	%	79.86
Female	%	20.14

Indicators	Unit	2025
Employee Recruitment and Retention		
New hires by region		
Within registered location	no.	31,486
Outside registered location	no.	145,906
Overseas (outside the Chinese mainland)	no.	15,487
New hires by type		
Number of full-time employees ¹³	no.	192,879
Number of part-time employees	no.	0
New hires by age		
<20 years old	no.	27,588
Aged 20-29	no.	89,527
Aged 30 to 39	no.	50,984
Aged 40 to 49	no.	22,640
50 and above	no.	1,240
Other ¹³	no.	900
Employee turnover rate	%	29
Average tenure of employees	years	2.63
Average tenure of employees: By gender		
Male	years	2.74
Female	years	2.57
Benefits		
Annual leave		
Actual annual leave hours provided by the Company	hours	5,762,230
Statutory annual leave entitlement	hours	3,626,894
Additional annual leave hours provided by the Company Beyond statutory requirements	hours	2,135,336
Hours of full-pay sick leave provided by the Company	hours	1,204,558
Maternity leave and paternity leave		
Number of employees actually taking maternity (or paternity) leave	no.	1,999
Total number of employees expected to return to work after maternity (or paternity) leave during the Reporting Period	no.	1,715
Total number of employees who returned after maternity (or paternity) leave during the Reporting Period	no.	1,661
Parental Leave	hours	143,970

13 Including dispatched employees

Indicators	Unit	2025
Remuneration		
Median salary ratio of total employees	RMB per person	79,494
Median salary ratio of male to female employees	ratio	1:0.8
Average salary ratio of male to female employees	ratio	1:0.8
Median bonus ratio of male to female employees	ratio	1:0.8
Average bonus gap between male and female employees	ratio	1:0.8
Employee Care		
Total number of employees receiving assistance	no.	1,683
Amount invested in support for employees in need	RMB	9,167,788
Employee training		
Total number of employees trained	no.	97,080
By gender		
Male	no.	59,405
Female	no.	37,675
By position		
Senior management	no.	298
Middle management	no.	1,279
General and technical employees	no.	95,503
Coverage of employee training	%	96.66
By gender		
Male	no.	98.11
Female	no.	98.10
By position		
Senior management	%	97.70
Middle management	%	43.59
General and technical employees	%	98.26
Total training hours	hours	4,799,805.55
Male	hours	2,936,552.95
Female	hours	1,863,252.60
By function		
Senior management	hours	11,920.00
Middle management	hours	70,383.60
General and technical employees	hours	4,713,553.30
Average training hours per employee	hours	49.40

Indicators	Unit	2025
Direct training investment in employees	RMB10,000	660.11
Indirect training investment in employees	RMB10,000	8,684.48
Occupational Health and Safety		
Lost Time Injury Frequency Rate (LTIFR)	per million working hours	0.58
Number of work-related injury incidents	no.	147
Number of work-related injuries	no.	129
Lost days due to work injury	days	4,595
Number of deaths due to work-related causes	no.	0
Work-related fatality rate	%	0
Occupational safety training		
Total number of occupational safety training sessions	no.	2,301
Total number of participants in occupational safety training	no.	212,716
Total duration of occupational safety training	hours	474,746.90
Number of participants in occupational health examinations	no.	44,847
Number of emergency drills conducted	no.	2,817
Number of participants in emergency drills	no.	128,334
Safety production investment	RMB10,000	2,376.74
Total Investment in work safety liability insurance and work-related injury insurance	RMB10,000	2,442.29
Work Injury Insurance Coverage Rate	%	100
Customer service		
Customer complaint handling rate	%	100.00
Number of product recalls during the year	no.	0
Recalls due to safety and health incidents	no.	0
Product recall ratio	%	0
Customer satisfaction survey results	score	95.40
Information Security		
Information security training hours	hours	102.00
Number of participants in information security training	person-times	6,449
Number of information security training sessions	no.	94
Number of information security incidents	no.	0
Financial losses from information security violations	RMB	0
Number of data breach emergency drills	no.	9
Number of customer privacy breaches	no.	0
Financial losses from customer privacy breaches	RMB	0

Indicators	Unit	2025
Innovation and R&D		
Number of Global R&D Personnel	no.	7,935
Proportion of R&D personnel to total number of employees	%	7.90
Total number of valid patents/trademarks obtained	no.	2,237
Invention patents	no.	545
Utility model patents	no.	1,401
Design patents	no.	58
Trademark	no.	233
Total number of patent/trademark applications during the year	no.	457
Invention patents	no.	120
Utility model patents	no.	279
Design patents	no.	2
Trademark	no.	56
Total global R&D investment	RMB10,000	237,366.94
R&D-to-Revenue ratio	%	4.62
Technology Ethics		
Cases of penalties imposed by authorities due to violations of technology ethics	no.	0
Technology ethics training – number of participants	no.	42,436
Technology ethics training – total duration	hours	78,460
Supply chain management		
Total number of suppliers	no.	4,997
Mainland China	no.	3,983
Hong Kong, Macau, and Taiwan regions	no.	102
Other regions (please specify)	no.	912
Supplier training		
Number of suppliers trained	no.	503
Number of supplier training sessions	no.	331
Total supplier training hours¹³	hours	351
Environmental protection training hours	hours	200
Safety training hours	hours	100
Number of suppliers audited during the Reporting Period	no.	594

13 As a single supplier training session may cover multiple topics, the data for "environmental training" and "safety training" hours are estimated values.

Indicators	Unit	2025
Number of suppliers passing the audit	no.	551
Number of suppliers assessed with potential negative impacts	no.	0
Number of suppliers failing audits	no.	43
Number of suppliers failing audits but rectified within the time limit	no.	27
Number of suppliers ultimately terminated due to audit failure	no.	16
Proportion of Suppliers Signing the Supplier Integrity Commitment Letter	%	100
Proportion of Suppliers Complying with and Signing the Supplier Commitment to Conflict-Free Minerals	%	100
Proportion of products with traceable raw material origins	%	100
Public Welfare Activities		
Total amount invested in public welfare	RMB	103,638.20
Corporate Governance		
Board of Directors and Shareholders' Meeting		
Total number of Board members at the end of the Reporting Period	no.	7
By gender		
Number of male directors	no.	4
Number of female directors	no.	3
By age		
Number of directors aged 35–50	no.	3
Number of directors aged ≥ 50	no.	4
By professional background		
Number of directors with electronic manufacturing background	no.	1
Number of directors with legal background	no.	1
Number of directors with financial management background	no.	2
Number of directors with risk management background	no.	5
Number of directors with industry experience	no.	2
Number of directors with IT background	no.	0
Number of independent directors	no.	3
Average tenure of Board members	years	3.70
Number of board meetings held during the Reporting Period	no.	13

Indicators	Unit	2025
Attendance rate of board members during the Reporting Period	%	100
Number of Audit Committee meetings held during the Reporting Period	no.	10
Attendance rate of Audit Committee meetings during the Reporting Period	%	100
Number of Remuneration and Appraisal Committee meetings held during the Reporting Period	no.	7
Attendance rate of Remuneration and Appraisal Committee meetings during the Reporting Period	%	100
Number of Nomination Committee meetings held during the Reporting Period	no.	3
Attendance rate of Nomination Committee meetings during the Reporting Period	%	100
Number of Strategy and Development Committee meetings held during the Reporting Period	no.	3
Attendance rate of Strategy and Development Committee meetings during the Reporting Period	%	100
Number of Shareholders' Meeting held during the Reporting Period (Including extraordinary meetings)	no.	7
Litigation Cases		
Product information and labelling	no.	0
Marketing	no.	0
Customer privacy and data protection	no.	0
Environment	no.	0
Business ethics	no.	0
Unfair competition and anti-monopoly behavior	no.	0
Integrity in business operations	no.	0
Number of cases of intellectual property infringement or being infringed	no.	1
Financial losses due to legal actions related to anti-competitive conduct	RMB	0
Risk Management and Internal Control		
Number of internal social responsibility audits	no.	19
Number of professional capability training sessions for audit teams	no.	15
Business Ethics		
Number of business ethics complaints received during the Reporting Period	no.	45
Number of business ethics complaints handled during the Reporting Period	no.	33
Number of anti-corruption training sessions	no.	14
Total number of participants in anti-corruption training	person-times	320,632
Number of board members who received anti-corruption training	no.	7
Number of managers and above who received anti-corruption training	no.	3,239
Number of supervisors and below, and general employees who received anti-corruption training	no.	97,195

Indicators	Unit	2025
Coverage rate of anti-corruption training for directors and employees at all levels	%	100
Number of cases violating anti-corruption and anti-bribery policies during the Reporting Period	no.	29
Number of corruption cases concluded during the Reporting Period	no.	33
Number of employees disciplined or dismissed due to violations of anti-corruption and anti-bribery policies during the Reporting Period	no.	33
Number of integrity awareness activities (DingTalk, Official WeChat Accounts, Offline Campaigns)	no.	14
Number of internal audits on business ethics, including anti-corruption and anti-bribery	no.	28
Investor Relations Management		
Number of online results presentations during the Reporting Period	no.	3
Number of online conference calls during the Reporting Period	no.	5
Number of offline investor engagement activities during the Reporting Period	no.	2
Number of responses on the interactive easy platform during the Reporting Period	no.	243

Sustainability Disclosure Frameworks

GRI Indicator Index

General standard disclosures		References and Remarks	
GRI 2: General Disclosures 2021	2-1	Organizational details	About LINGYI ITECH
	2-2	Entities included in the organization's sustainability reporting	Scope and Boundaries
	2-3	Reporting period, frequency and contact point	Scope and Boundaries
	2-4	Restatements of information	Sustainability Disclosure Frameworks
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	2-6	Activities, value chain and other business relationships	Sustainability Governance
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GRI 3: Material Topics 2021	3-1	Process to determine material topics	Double Materiality Assessment
	3-2	List of material topics	Double Materiality Assessment
	3-3	Management of material topics	Double Materiality Assessment

General standard disclosures		References and Remarks	
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	Ecosystem and Biodiversity Conservation
	101-2	Management of biodiversity impacts	Ecosystem and Biodiversity Conservation
	101-3	Access and benefit sharing	/
	101-4	Identification of biodiversity impacts	Ecosystem and Biodiversity Conservation
	101-5	Locations with biodiversity impacts	/
	101-6	Direct drivers of biodiversity loss	/
	101-7	Changes in biodiversity status	/
	101-8	Ecosystem services	Ecosystem and Biodiversity Conservation
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	/
	201-2	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Employee Compensation and Benefits
	201-4	Financial assistance received from government	/
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2	Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	/
	203-2	Significant indirect economic impacts	Responding to Climate Change
GRI 204: Practical Procurement 2016	204-1	Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
GRI 207: Tax 2019	207-1	Tax strategy	Tax Management
	207-2	Tax governance, control, and risk management	Tax Management
	207-3	Stakeholder engagement and management concerning tax	Tax Management
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GRI 301: Materials 2016	301-1	Materials used by weight or volume	Efficient Resource Utilization
	301-2	Recycled input materials used	Efficient Resource Utilization
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General standard disclosures		References and Remarks	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Appendix
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GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Efficient Resource Utilization
	303-2	Management of water discharge-related impacts	Efficient Resource Utilization
	303-3	Water withdrawal	Efficient Resource Utilization
	303-4	Water discharge	Appendix
	303-5	Water consumption	Appendix
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change
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	305-4	GHG emissions intensity	Appendix
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	306-2	Management of significant waste-related impacts	Pollution Prevention and Circular Economy
	306-3	Waste generated	Pollution Prevention and Circular Economy
	306-4	Waste diverted from disposal	Pollution Prevention and Circular Economy
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GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Appendix
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Compensation and Benefits
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GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Occupational Health and Safety

General standard disclosures		References and Remarks	
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Appendix
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Employee Rights Protection
	405-2	Ratio of basic salary and remuneration of women to men	Employee Rights Protection
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Rights Protection
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights Protection
	408-1	Operations and suppliers at significant risk for incidents of child labor	None
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	None
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	/
	413-2	Operations with significant actual and potential negative impacts on local communities	None
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2	Negative social impacts of the supply chain and the actions taken	Sustainable Supply Chain
GRI 415: Public Policy 2016	415-1	Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Responsibilities and Customer Relations
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	/
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	417-2	Incidents of non-compliance concerning product and service information and labeling	None
	417-3	Incidents of non-compliance concerning marketing communications	None
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None

Shenzhen Stock Exchange Sustainability Report Guidance Content Index

Dimension	No.	Topic	Relevant Clause	References and Remarks
Environmental	1	Responding to Climate Change	Articles 21-28	Responding to Climate Change
	2	Pollutant Discharge	Article 30	Pollution Prevention and Circular Economy-Pollutant Emission Management
	3	Waste Disposal	Article 31	Pollution Prevention and Circular Economy-Waste Management
	4	Ecosystem and Biodiversity Protection	Article 32	Ecosystem and Biodiversity Conservation
	5	Environmental Compliance Management	Article 33	Environmental Management-Environmental Compliance Management
	6	Energy Usage	Article 35	Efficient Resource Utilization-Energy Management
	7	Usage of Water Resources	Article 36	Efficient Resource Utilization-Water Resource Management
	8	Circular Economy	Article 37	Pollution Prevention and Circular Economy-Circular Economy
Social	9	Rural revitalization	Article 39	Social Contribution-Rural Revitalization and National Strategy Alignment
	10	Contributions to the Society	Article 40	Social Contribution
	11	Innovation-driven	Article 42	Innovation-driven Development
	12	Ethics of Science and Technology	Article 43	Innovation-driven Development-Technology Ethics
	13	Supply Chain Security	Article 45	Sustainable Supply Chain
	14	Equal Treatment of SMEs	Article 46	Equal Treatment of SMEs
	15	Safety and Quality of Products and Services	Article 47	Product Responsibilities and Customer Relations
	16	Data Security and Customer Privacy Protection	Article 48	Information Security and Privacy Protection
	17	Employees	Article 50	Empowering a People-centric Workplace
Sustainability-related governance	18	Diligence	Article 52	Corporate Governance
	19	Communications with Stakeholders	Article 53	Stakeholder Engagement
	20	Anti-commercial Bribery and Anti-corruption	Article 55	Business Ethics
	21	Anti-unfair Competition	Article 56	Business Ethics

HKEX ESG Reporting Code Content Index		
Part C: "Comply or explain" Provisions		
This part sets out provisions to be reported on by an issuer in the ESG report on a "comply or explain" basis.		
Subject Areas, Aspects, General Disclosures and Key Performance Indicators	References and Remarks	
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Responding to Climate Change, Pollution Prevention and Circular Economy
KPI A1.1	The types of emissions and respective emissions data.	Appendix
KPI A1.2	Repealed 1 January 2025	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	Appendix
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	Appendix
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Responding to Climate Change, Pollution Prevention and Circular Economy
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.	Pollution Prevention and Circular Economy
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Efficient Resource Utilization
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	Efficient Resource Utilization-Energy Management
KPI A2.2	Water consumption in total and density (e.g. per unit of production volume, per facility).	Efficient Resource Utilization-Water Resource Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Efficient Resource Utilization-Energy Management


HKEX ESG Reporting Code Content Index		
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.	Efficient Resource Utilization–Water Resource Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Efficient Resource Utilization–Packaging and Raw Material Management
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management, Ecosystem and Biodiversity Conservation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management, Ecosystem and Biodiversity Conservation
Subject Areas, Aspects, General Disclosures and Key Performance Indicators		References and Remarks
B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Rights Protection, Employee Compensation and Benefits
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix
KPI B2.2	Lost workdays due to work-related injuries	Appendix
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

HKEX ESG Reporting Code Content Index		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Appendix
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Rights Protection
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights Protection
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Appendix
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.	Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable 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.	Sustainable Supply Chain
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibilities and Customer Relations-Product Quality and Safety

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KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibilities and Customer Relations-Product Quality and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibilities and Customer Relations-Product Quality and Safety
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Innovation-driven Development-R&D Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibilities and Customer Relations-Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
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.	Appendix
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and employees.	Appendix
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.	Caring for Communities
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for Communities
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Caring for Communities

HKEX ESG Reporting Code Content Index			
Subject Areas, Aspects, General Disclosures and Key Performance Indicators			References and Remarks
Part D: Climate-related Disclosures			
Climate-related Disclosures	Governance	Governance	Responding to Climate Change-Governance
		Climate-related risks and opportunities	Responding to Climate Change-Strategy
	Strategy	Business model and value chain	Responding to Climate Change-Strategy
		Strategy and decision-making	Responding to Climate Change-Strategy
		Financial position, financial performance and cash flows	/
		Climate resilience	Responding to Climate Change-Strategy
	Risk Management	Risk management	Responding to Climate Change-Risk Management
	Metrics and Targets	Greenhouse gas emissions	Appendix
		Climate-related transition risks	/
		Climate-related physical risks	/
		Climate-related opportunities	/
		Capital deployment	/
		Internal carbon prices	/
		Remuneration	/
		Industry-based metrics	/
Climate-related targets	Responding to Climate Change-Metrics and Targets		
Applicability of cross-industry metrics and industry-based metrics	/		

Independent Assurance Statement


Assurance statement No.CN-202603-CSR-08

Assurance Statement

TÜV NORD (Hangzhou) Co., Ltd. (hereinafter referred to as "TNHZ") was entrusted by LINGYI ITECH (GUANGDONG) COMPANY (hereinafter referred to as "LINGYI ITECH" or "the Company") to conduct an independent third-party assurance of LINGYI ITECH 's 2025 Sustainability Report (abbreviated as "Report").

LINGYI ITECH is responsible for collecting, analyzing, summarizing, and disclosing the information mentioned in the Report. TNHZ carried out this work (Report Assurance) within the scope of authority recognized in the agreement with LINGYI ITECH. LINGYI ITECH is the designated user of this statement.

This statement is based on LINGYI ITECH 's 2025 Sustainability Report, and LINGYI ITECH is responsible for the integrity and authenticity of the information and data in the Report.

User of Assurance Statement
This Assurance Statement is provided to all stakeholders of LINGYI ITECH.

Assurance Scope

- Key sustainability performance and related information disclosed in the report for the fiscal year 2025;
- Assurance location: No. 1, Jingcheng 2nd Road, Yuyuan Industrial Zone, Huangjiang Town, Dongguan City, Guangdong Province, LINGYI ITECH Dongguan Production Base;
- Evaluate the management processes such as collection, analysis, and assurance of the data and information involved in the report.

The on-site assurance conducted from March 16th to March 17th, 2026.

Assurance Limitations

- The financial data in this report is derived from the Company's Annual Report, which have been independently audited by another third party. This assurance does not include re-verifying this data;
- Specific greenhouse gas emission data are based on third-party verification reports. This assurance only conducts sample verification of the data sources;
- This assurance only sampled part of the original data sources for performance data and did not conduct a comprehensive verification of all data sources;
- The location of this assurance was limited to the Dongguan Production Base of LINGYI ITECH and did not include on-site verification at all its subsidiaries and branches.

Assurance Method

The assurance process includes the following activities:


- Evaluate the documentary information provided by LINGYI ITECH;
- View LINGYI ITECH data collection platform;
- Interview the management of relevant departments of LINGYI ITECH and the person collecting report information;
- Check the public information released on relevant websites and by the media, and verify the relevant data and information in the report through sampling.

Assurance Guidelines

- The GRI Sustainability Reporting Standards (GRI Standards 2021) requirements for sustainability reports in terms of accuracy, balance, clarity, comparability, timeliness, and verifiability;
- Appendix C2 Environmental, Social and Governance Reporting Code of The Stock Exchange of Hong Kong Limited;
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation);
- TNHZ Report Assurance Implementation Rules SC - P - A015 Rev.00.

Assurance Standard and Level
Accountability AA1000 Assurance Standard (V3): Type 2, Moderate Assurance.

Assurance Conclusion
The 2025 Sustainability Report prepared by LINGYI ITECH objectively reflects the company's progress and performance in environmental, social,


Assurance statement No.CN-202603-CSR-08

and governance aspects during the 2025 fiscal year. The data presented in the report is reliable and objective, and TNHZ found no systematic or material errors.

- **Inclusivity:** The company has identified nine major stakeholder groups, including customers, government and regulatory authorities, employees, suppliers, and others. Through diverse communication channels such as shareholders' meetings, exchange platforms, customer service hotlines, and industry forums, it responds promptly to their concerns and expectations and integrates them into the company's business activities.
- **Materiality:** The company's Social Responsibility Committee, through sending questionnaires to stakeholders and conducting internal interviews, identified material issues based on the double materiality principle of "impact importance" and "financial importance." It confirmed eight double-materiality issues, including "customer service management," "information security and privacy protection," and "employee rights protection," as well as 19 material issues such as "business ethics," "waste management," and "technology ethics," and developed a materiality matrix.
- **Responsiveness:** Through five chapters, including "Corporate Governance and Responsible Business" and "Environmental Stewardship:Climate, Resources and Nature" the report comprehensively responds to the company's efforts in the environmental, social, and governance areas during the reporting period.
- **Impact:** The company systematically identifies the short, medium, and long-term impacts of relevant issues on its supply chain, production operations, products, and society, and demonstrates these impacts to stakeholders through ESG key performance tables, case studies, and other means.

Suggestions for Improvement

Through the assurance and evaluation activities, we have put forward relevant suggestions for improvement regarding LINGYI ITECH's practices and management in sustainable development, all of which have been stated in the "Assurance Report" and submitted to LINGYI ITECH's management for their reference in continuous improvement.

Special Statement

Excluded in this assurance statement:


- Activities other than information disclosure;
- Statements regarding the standpoint, viewpoints, beliefs, goals, future development directions, and commitments of LINGYI ITECH.

Statement of Independence and Competence


TÜV NORD is a world-leading certification body with branches in more than 100 countries around the world. It provides inspection, testing and verification services, including management system and product certification; audits and training in the aspects of quality, environment, society and compliance; assurance of environmental, social responsibility and sustainability reports.

As TÜV NORD's independent member organization in China, TNHZ ensures that there is no conflict of interest with LINGYI ITECH, its branches, or its stakeholders in carrying out this assurance process for the sustainability report. The assurance team is composed of experts with extensive experience and professional technical competence, conducting the assurance activities in accordance with TNHZ's internal procedure documents and global compliance policy requirements. All information in this report was provided by LINGYI ITECH and TNHZ did not participate in the report preparation process.

Signature
On Behalf of TÜV NORD (Hangzhou) Co., Ltd.



Jack Yeh:
Sustainable Development Authorized Signatory/Executive Director and
CEO of TÜV NORD Greater China
Date: March 26th, 2026 Shanghai



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Note: In case of conflict between the Chinese and English versions of this statement, please refer to the Chinese version.

Contact and Feedback

Thank you for reading the *2025 Sustainability Report*. To improve the Company's sustainability practices and enhance our sustainability capabilities and performance, we sincerely welcome your opinions and suggestions. We kindly invite you to evaluate this report to support our continuous improvement efforts. Please complete the following feedback form and send it to us via email at IR@lingyiitech.com.

Name _____ Organization _____

Phone _____ Email Address _____

1. What is your overall evaluation of this report?

Excellent
 Good
 Average
 Poor
 Very Poor

2. How do you assess the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?

Excellent
 Good
 Average
 Poor
 Very Poor

3. Do you find the content arrangement and style design of this report convenient for reading?

Excellent
 Good
 Average
 Poor
 Very Poor

4. Which topics are you interested about?

5. What information do you think is missing from this report?

6. Do you have any additional comments on LINGYI iTECH's work in environmental, social, and corporate governance aspects? (Please specify)



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LY iTECH

WeChat Official Account



LINGYI iTECH



LINGYI iTECH ESG