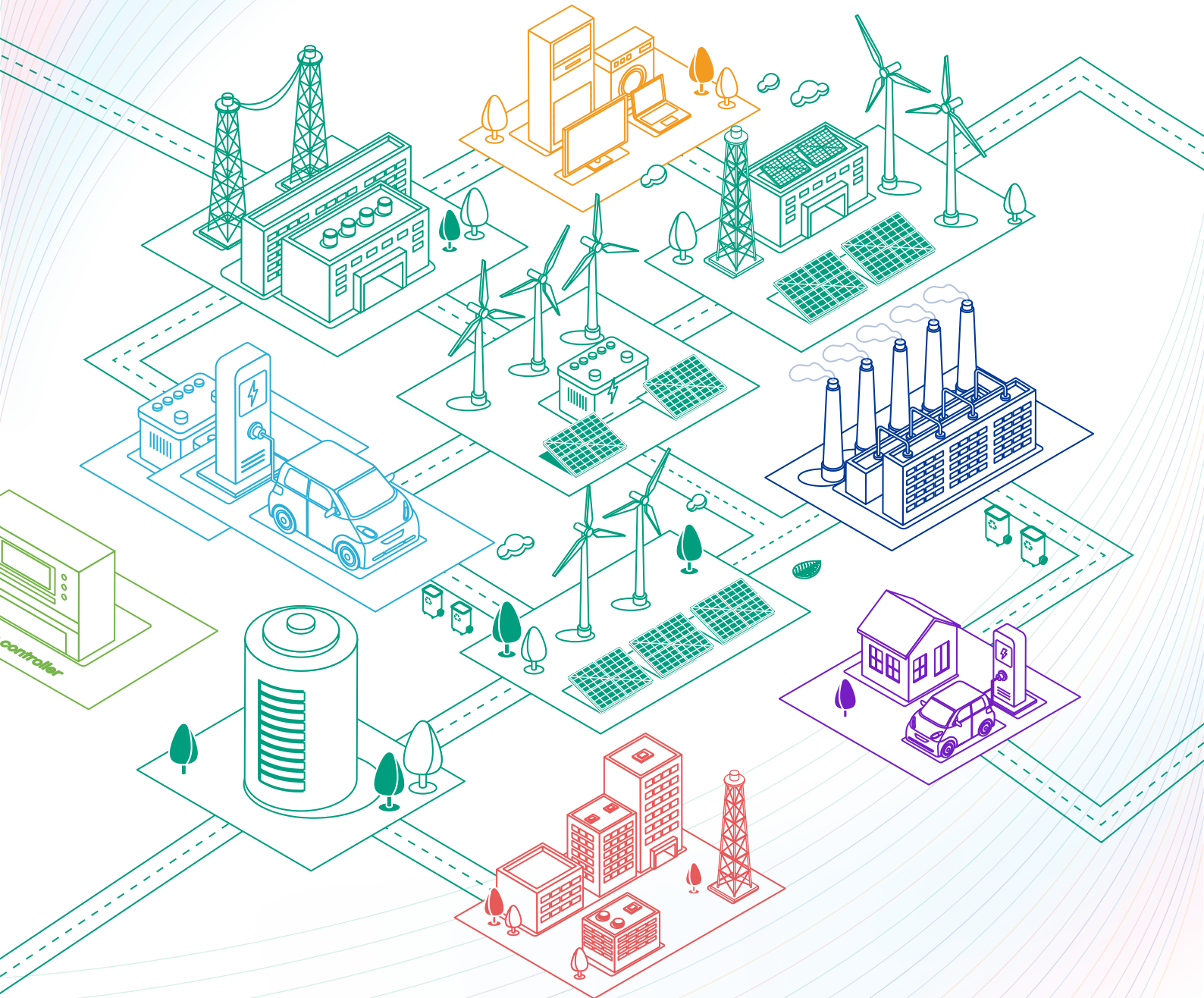
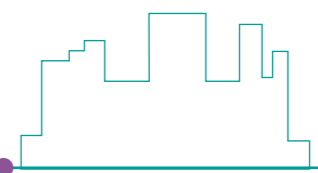


# 2023 Environmental, Social and Governance (ESG) Report

Shenzhen Megmeet Electrical Co., Ltd.



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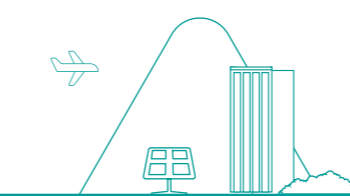
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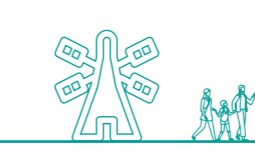
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# Report Description

This is the fourth disclosure of social responsibility information and the third Environmental, Social and Governance (ESG) Report of Shenzhen Megmeet Electric Co., Ltd. to disclose to investors and stakeholders the actions and the results achieved by the Company in environmental, social and corporate governance.

## Timeframe

This is an annual report. The report covers the period from January 1, 2023 to December 31, 2023. Any textual information that extends beyond this summary will be entailed in the corresponding sections of the report.

## Scope of the Report

This report covers Shenzhen Megmeet Electric Co., Ltd. and its subsidiaries ( "Megmeet" "the Company" ). Unless otherwise specified, the scope of the consolidated financial statements is consistent with that of the annual report of Megmeet (Stock Code: 002851.SZ). For details of the subsidiaries included in the report, please refer to the "List of Subsidiaries Included in the Scope of the Report" in the Appendix.

## Report Appellation

For clarity in expression and reading, "Shenzhen Megmeet Electric Co., Ltd." will be referred to as "Megmeet", "the Company" or "we" in this report.

## Data Description

The textual information and quantitative data disclosed in this report are sourced from the Company's official documents and statistical reports, and the quoted quantitative data are the final statistical data. In the event of any inconsistency between the financial data presented here and those in the Company's annual report, the information in the annual report shall take precedence.

## Basis of Preparation

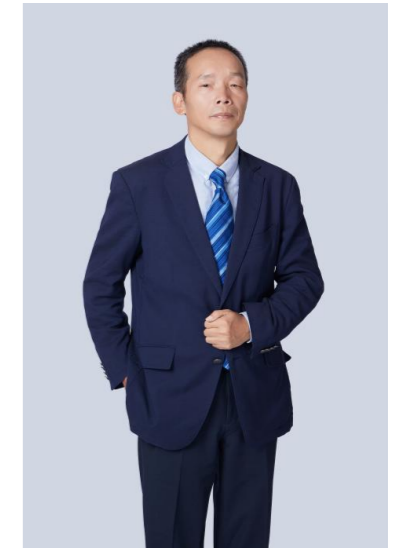
This report has been prepared with reference to the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board (Revised in 2023) published by the Shenzhen Stock Exchange, the Sustainability Reporting Standards (2021 Edition) of the Global Reporting Initiative (GRI), and the Sustainability Reporting Standards (2021 Edition) (the "GRI Standards" ) of the Global Reporting Initiative, the issues of concern in the MSCI ESG Ratings, the Reference Indicator System for Specialized ESG Reporting of Listed Companies Controlled by Central Enterprises published by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council of the People's Republic of China (PRC), and the Guidelines for Corporate Social Responsibility Reporting in China (CASS-ESG 5.0) released by the Chinese Academy of Social Sciences, the International Financial Reporting Sustainability Disclosure Standard No. 1 - General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) issued by the International Sustainability Standards Board (ISSB), and so on.

## Report Access

This report is available in Chinese and English. You can download and read the PDF electronic version on our official website: [www.megmeet.com](http://www.megmeet.com), and the information disclosure platform designated by the Stock Exchange to obtain more information about our environmental, social and corporate governance. If there is any discrepancy between the English and Chinese versions, please refer to the Chinese version.

# Chairman's Speech

As a technology-driven enterprise focusing on independent innovation, Megmeet has become a renowned supplier in the fields of intelligent home appliance electronic control products, power products, new energy and rail transit components, industrial automation, intelligent equipment, and precision connections, accumulating industry experience over the years. The company provides ODM services for power electronic components and systems to major customers in various industries at home and abroad. Megmeet emphasizes multi-polar growth, risk balance, platform construction, and strives to balance the overall scale and development trends of various business segments, avoiding risks that may arise from cyclical fluctuations or business changes in any product line. In recent years, the company has maintained stable performance growth. In 2023, the company achieved operating income of 6.754 billion yuan, an increase of 23.30% compared to the same period last year; net profit attributable to shareholders of the listed company was 629.3228 million yuan, an increase of 33.13% compared to the same period last year; and net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses was 355.4967 million yuan, an increase of 39.02% compared to the same period last year. Among them, the company achieved rapid growth in the industrial automation, new energy vehicles, and rail transit sectors, and continued to maintain growth above the industry average in the intelligent home appliance electronic control sector, while other business segments also steadily developed. In recent years, the company has continued to strengthen research and development investment, constantly integrate upstream and downstream supply chains, and enhance comprehensive competitiveness. Its cooperation with leading customers in various industries at home and abroad has become increasingly extensive, with sufficient research projects and orders in hand, laying a solid foundation for the company's long-term stable operation and continuous performance growth in the future.



In response to the evolving landscape of multi-technology fields, Megmeet has showcased a strategic approach focused on comprehensive development and sustainable operations. Our commitment to innovation and technological advancement extends to prioritizing user experience and environmental sustainability in product development. By integrating these elements into our processes, we aim to deliver products that are not only of higher quality but also environmentally friendly. Furthermore, Megmeet remains agile in addressing shifting market demands by constantly refining our product mix and fostering closer collaborations with customers. Through technical exchanges and resource sharing, we enhance solution designs and offer more holistic services to our customers, ensuring that we meet their evolving needs effectively.

This year, we focused on the core technology of power electronics and related control, continuously extended to the cross-cutting and emerging fields related to the core technology, and gradually upgraded from board products to module products, system products and integrated products, which have gradually achieved results through years of layouts and generated stronger and stronger synergistic effects. In the expansion of products and industries, the Company has been generating fission effect, discovering more market demands and entering more segments.

We place significant emphasis on research and development (R&D) investments, aiming to meet the diverse product and solution requirements of our downstream customers. To achieve this, we have established a cross-extended core technology platform. This strategic approach has allowed us to consistently maintain an R&D investment level of around 10% of our sales revenue over many years. This substantial investment provides robust support for realizing our product strategies and R&D plans effectively. Furthermore, environmental protection and sustainable development are key priorities in our R&D endeavors. We strictly adhere to national environmental protection laws and regulations, focusing on source control, implementing cleaner production practices, and taking comprehensive measures to prevent and control pollution. Our commitment extends to developing new products and technologies that align with stringent environmental standards, ensuring that our innovations contribute positively to environmental sustainability.

We consistently adhere to the people-oriented development concept. This year, the Company has continuously expanded talent recruitment channels and actively introduced specialized technical and managerial talents from home and abroad who are suitable for the Company's development, especially those with international vision and standardized management background, in order to comprehensively improve the Company's management capability in all aspects. To support the development of our employees, we have implemented a sound training system and upgraded our training facilities and resources. Performance appraisal, reward and punishment mechanisms have also been enhanced, fostering a stronger sense of responsibility and execution among our workforce. In addition to the endogenous technology and product development, the Company maintains a keen insight into new technologies and new fields, continuously extends the technology based on power electronics, cooperates with external teams with unique technological advantages through a flexible mechanism, and successively holds or participates in a number of upstream and downstream product teams with core technologies, which grafts on the Company's resource platform and provides the Company with more new forces.

Looking ahead, Megmeet will continue to uphold the strategic idea of "multi-level growth and balanced risk", continue to integrate sustainable development factors into the Company's management concepts and practices, and continue to innovate, sustainable development, and create more value for customers, employees, society and the environment. We look forward to working with partners across all sectors to drive industrial advancement and contribute to social development!

—Dr. Yongsheng Tong

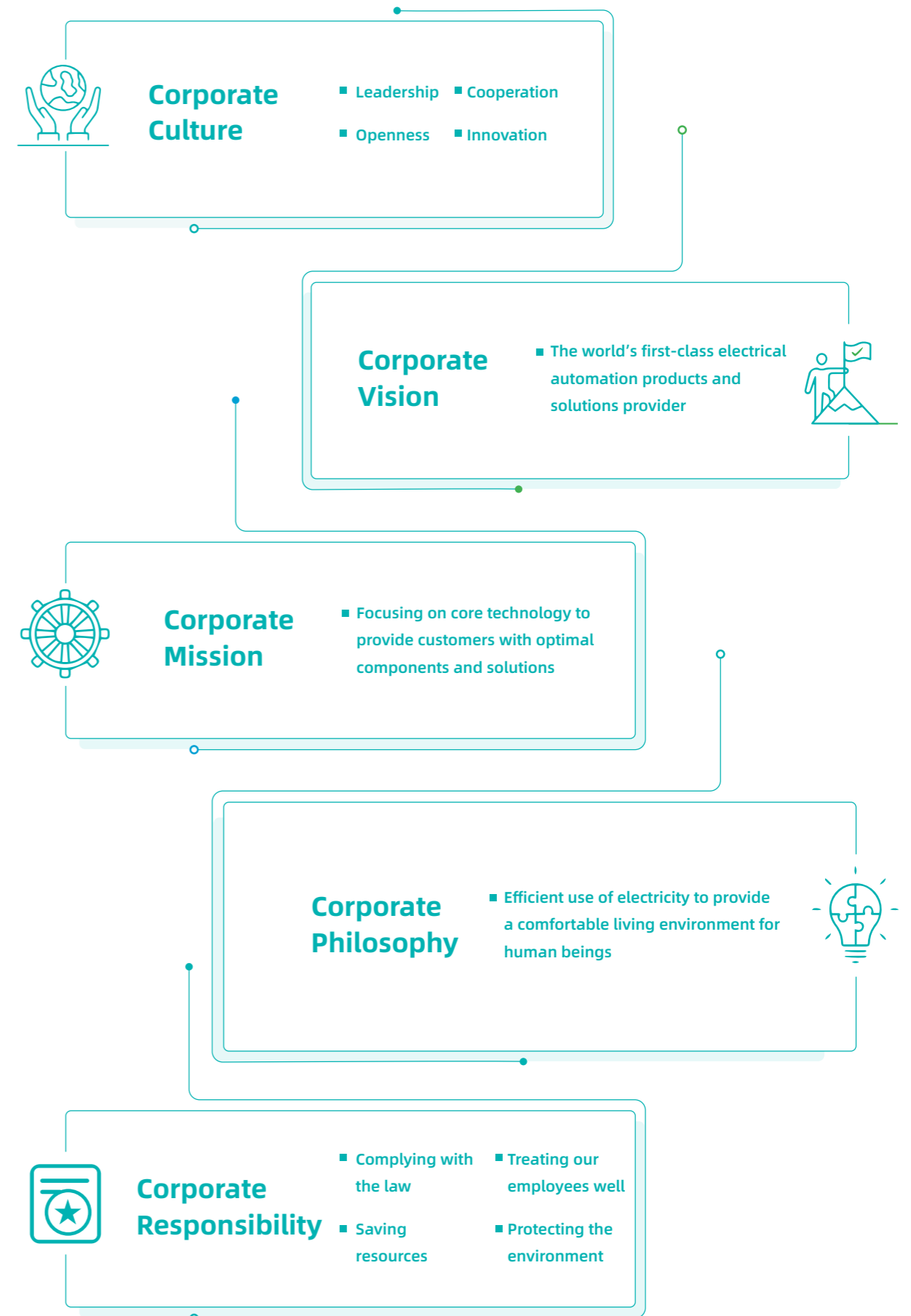
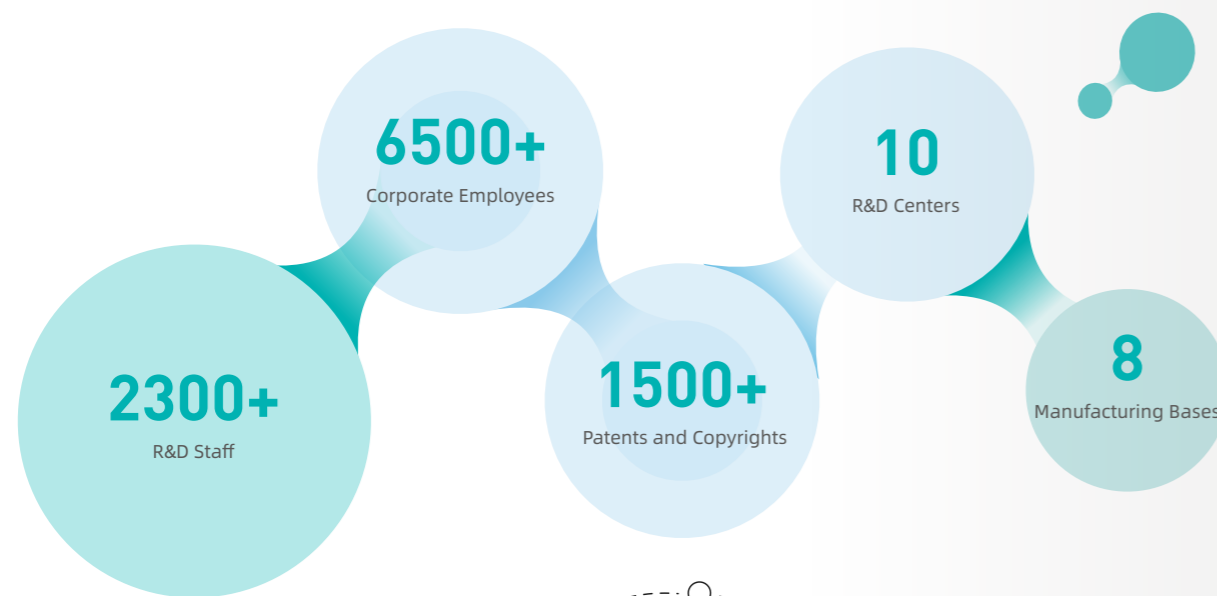
# About Megmeet



## About Megmeet

Shenzhen Megmeet Electric Co., Ltd. (Stock Code: 002851.SZ) is a one-stop solution provider of hardware and software R&D, production, sales and service in the field of electrical automation. With over twenty years of dedicated effort, the Company has developed a technological foundation centered on digital power control, system control and communication, and power conversion hardware. From this core platform, Megmeet has branched out into six key business areas including power supply products, industrial automation, new energy & rail transportation, intelligent equipment, electric control for intelligent home appliances, and precision connections. Meanwhile, the Company has also established R&D centers, manufacturing centers and market service centers around the world.

As a global professional solution provider in the field of electrical automation, Megmeet upholds a management policy characterized by cutting-edge technology, meticulous craftsmanship, premium quality, and top-tier service. Our mission is to enhance the efficient utilization of electrical energy, promote a cleaner living environment, and drive continuous advancements in productivity. We are committed to improving the quality of life for humanity and consider it our paramount responsibility to establish a global benchmark in the electrical automation industry!

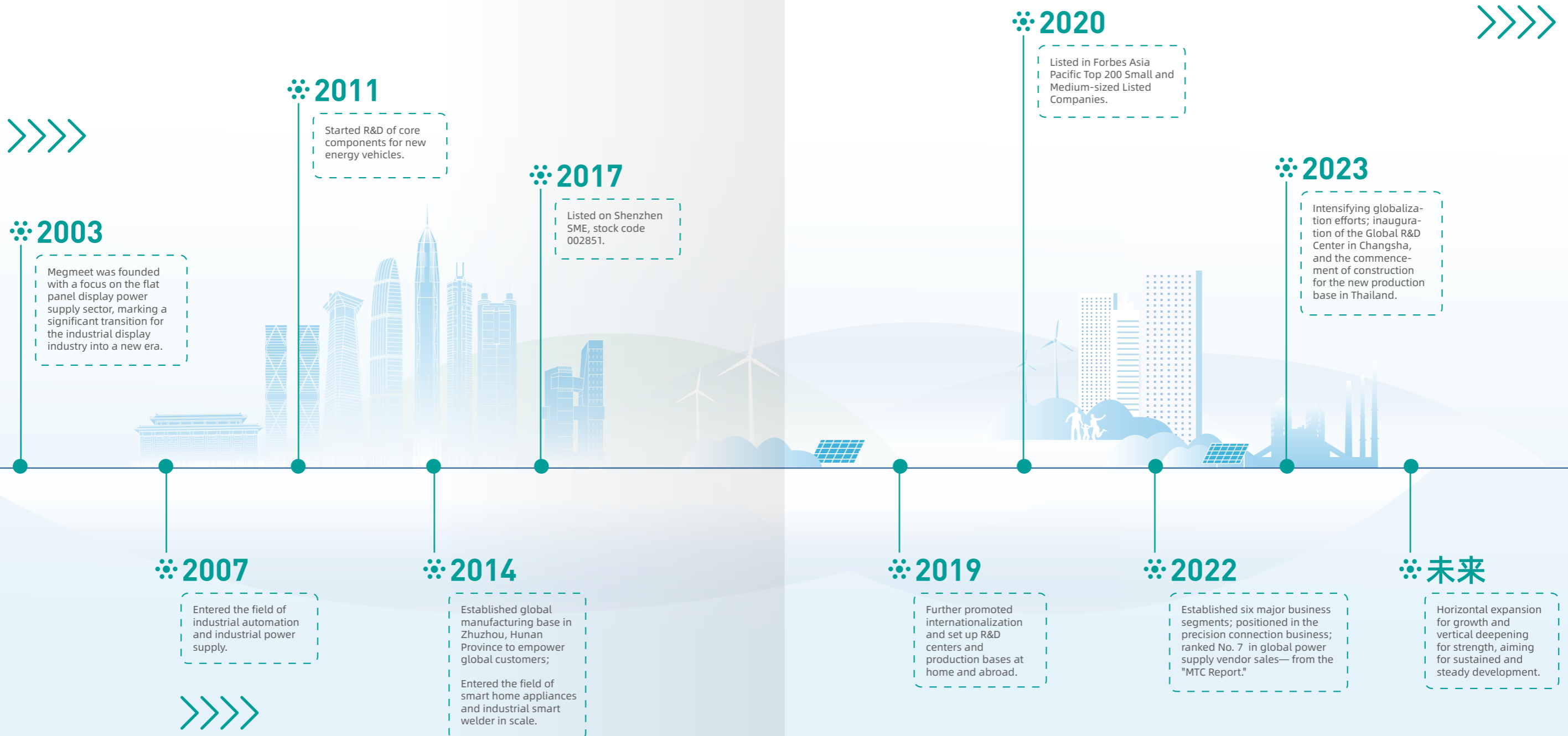


# Company History

Megmeet focuses on the core technology of power electronics and related control, and continuously extends to the cross-cutting and emerging fields related to the core technology. From the initial TV power supply field, we have been steadily expanding to consumer power controllers, industrial power supplies, industrial control products, and consumer terminals and industrial equipment, and have gradually upgraded to modular, system and integrated products from board products. Over the years, the layout of the Company has gradually achieved results and generated more and more synergies. The expansion of products has also led the Company to gradually expand from the home TV market to various types of business, such as frequency conversion home appliances, intelligent sanitary ware, medical care, communications, intelligent equipment, new energy vehicles, rail transportation, microwave industrial applications, intelligent oil recovery equipment, thermal management, photovoltaic charging, welding technology, and motor control, and other related consumer and industrial numerous industries. In the expansion of products and industries, the Company continues to generate a fission effect, which leads to the discovery of more market needs and entry into more segments.

The Company's product and technology expansion is generated through both endogenous and exogenous means. Internally, we pursue endogenous growth by expanding existing products and technologies into new categories and exploring their applications across diverse industries. Simultaneously, we embrace external expansion by integrating external resources, particularly technological assets, through flexible collaborations. This approach allows us to address gaps, enhance integration, and create synergies, ultimately opening up new areas of growth. Over the past decade, this dual-pronged approach has evolved into a well-established model, concept, and methodology for us. Through continuous practice and refinement, we have elevated our technical prowess, operational efficiency, and the scope and depth of services offered to our customers. This comprehensive strategy ensures that we stay at the forefront of innovation and effectively meet the evolving needs of our clients across various sectors.

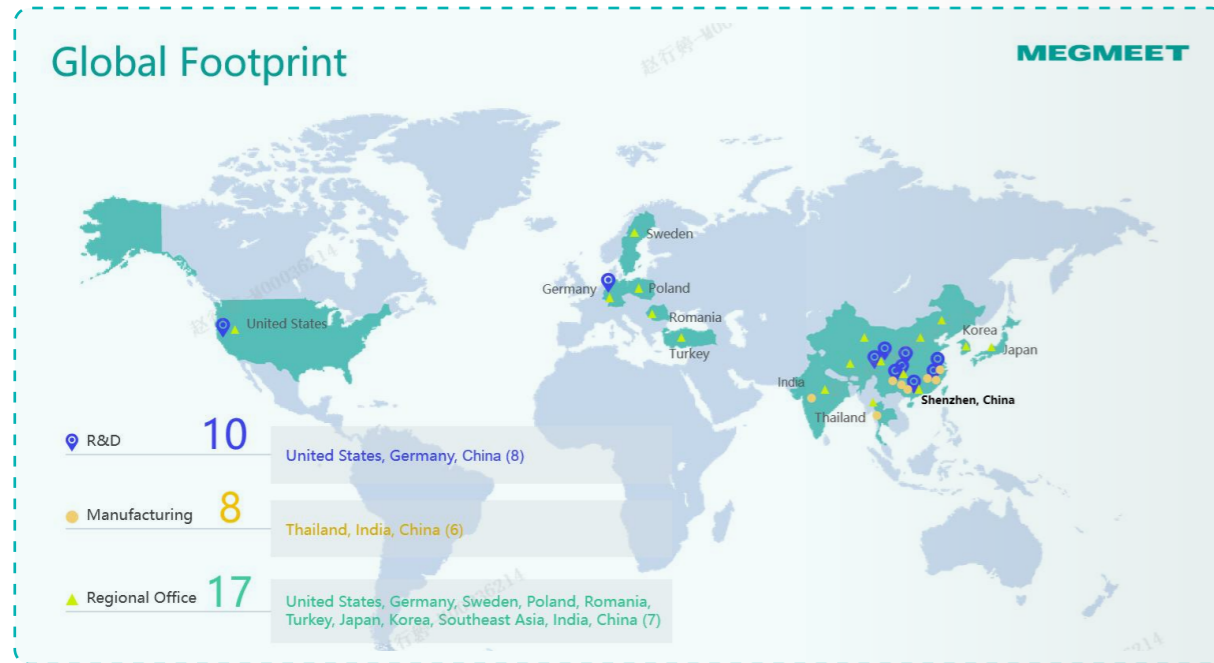
As an electric power product, the development of each product and field necessitates several years of continuous and meticulous research, development, and market expansion efforts. The Company is currently in a growth phase. In the process of building technology and product systems, each technology requires sustained R&D investment and operational management. The Company needs to steadily push forward the process of product development from qualitative change to quantitative change. The Company's current sales structure reflects the results of strategic layout and continuous investment, the Company is also expanding new products and areas, which will serve as potential avenues for future business development.





## Megmeet Going Global

Megmeet's business' footprint spans the globe. In order to further satisfy customers' needs and improve our service level, we have built a cutting-edge global operation system and will continue to optimize our platform construction and expand overseas markets. Moving forward, we will continue to implement the idea of "expanding horizontally and strengthening vertically", aiming at the high-end direction of the industry and future industrial trends based on power electronics and related control technologies. We will adhere to the forward-looking layout and orderly investment to gradually accumulate competitive advantages and explore untapped potential to support future business growth.



### Megmeet's globalization layout

Total area(acres)

**634**

Various production lines

**184**

PCBA Annual Production Capacity(billion pcs)

**0.9**

Building area(square meters)

**580,000**

SMT and AI production line

**27**

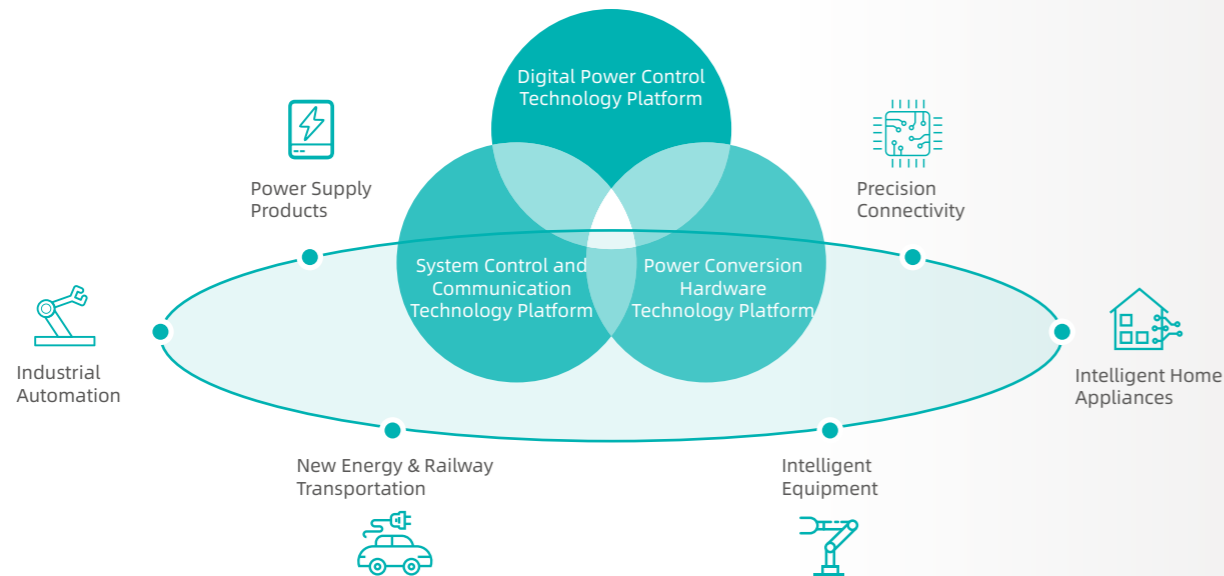




## Core Technologies and Business Areas

Focusing on innovation and development, Megmeet has established three core technology platforms to provide reliable support and solutions for applications in different fields. Simultaneously, the Company's six business domains address the key needs and challenges of numerous industries. The Company continues to expand its business boundaries with its specialization, innovation and reliability, creating greater value and returns for customers.

### Three Core Technology Platforms



### Six Business Areas

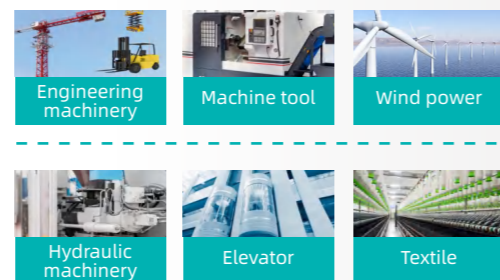
**Power supply products Application:** More than 20 years of technical accumulation in power supply industry, providing high-quality, high-performance, high-reliability, cost-effective one-stop power supply solutions for multiple fields.

- Communication power supply
- Server Power Supply
- Electric Power Supply
- Medical Power Supply
- Display Power Supply
- LED Power Supply
- Laser Power Supply
- Mobile Energy Storage Bidirectional Inverter
- Light Storage and Charging Solution
- OA Power Supply
- Industrial Control Power Supply
- ...



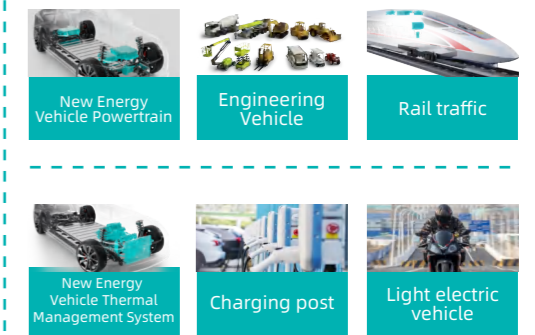
**Industrial automation Application:** Providing industrial automation system solutions, continuous technological innovation, to meet the needs of various industries for equipment with high response, high precision, high stability, easier to use, cost-effective and so on.

- Frequency Inverter
- Servo System
- Control System
- Sensor
- Internal meshing gear pump
- Industrial Internet of Things
- Elevator integrated controller
- ...



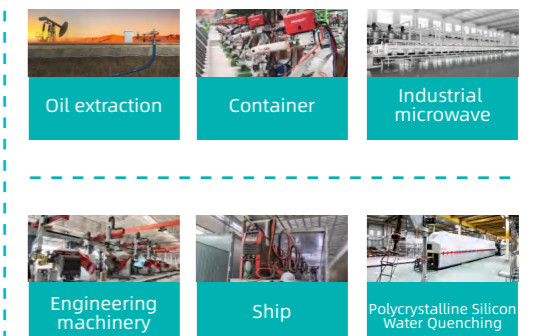
**New energy & railway transportation Application:** Mastering the core technology of motor control and power supply, providing one-stop solutions for charging pile modules, motor controllers, on-board power supply, all-in-one drive systems, electric compressors and their electronic control, thermal management systems and their components.

- Integrated Charging System
- Motor Controller
- All-in-One High Voltage Integrated Driver
- Electric Compressor
- Thermal Management System
- Fully Active Hydraulic Suspension System
- Distributed Drive
- Engineering Vehicle Controller
- Light Electric Vehicle Controller
- Rail Transit Air Conditioning Controller
- Rail Transit Variable Frequency Drive
- ...



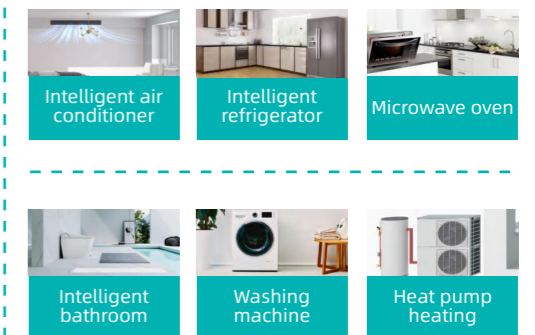
**Intelligent equipment Application:** Mastering the core technology, we independently research, develop and produce intelligent digital gas-shielded welding machines, microwave/RF application equipment, submerged oil screw pump intelligent oil recovery systems, environmental protection equipment, etc., to provide customers with more cost-effective and better-performing equipment and solutions.

- Intelligent Digital Welding Machine
- Industrial Microwave Equipment
- Submersible Screw Pump Intelligent Oil Extraction System
- Polycrystalline Silicon Water Cooling Equipment
- Fully Automatic Car Washing Machine
- ...



**Intelligent home appliance electronic control Application:** Through the cross-fertilization of the three core technology platforms, we provide one-stop drive-control solutions, core control components for the white goods industry, and complete machines and their control components for the intelligent sanitary ware industry.

- Residential/Commercial Air Conditioning Controllers
- Heat Pump/Space Heater Controllers
- Vehicle Air Conditioning Controllers
- Solar Air Conditioning Controllers
- Miniature Compressor Controllers Refrigerator/Washing Machine Controllers
- Household/Industrial Microwave Power Supplies
- Smart Bathroom Units and Components
- RF Thawing and Freshness Preservation Equipment
- ...



**Precision connectio Application:** Providing more efficient and reliable signal transmission solutions, achieving excellent shielding performance, meeting the demand for high-frequency and high-speed transmission, and the products have the characteristics of combination, low cost, and flexibility.

- FFC Flexible Flat Cable
- FPC
- Coaxial Cable
- Enamel Wire
- Litz Wire
- PEEK Wire
- ...





## An In-depth Look at the Company's Key Highlights of 2023

2023 was an extremely crucial year for Megmeet, and can be summarized with two key phrases: "Innovative Development, Strengthening Foundation".

1.This year, the Company strengthened its international presence by participating in 27 domestic and overseas exhibitions, further enhancing its global influence.

This year, the Company's six major business groups launched multiple new products, realizing research and development achievements. The new products include energy storage packs, liquid-cooled/air-cooled charging modules, home storage inverters, AI server efficient power supplies, general-purpose inverters, temperature controllers, lightweight electric vehicle drive control systems, new energy vehicle power supplies, thermal management components, laser welding machines, and heat pump heating systems.

This year, the Company successively obtained more than ten national-level platform certifications such as National Green Factory, National Industrial Product Green Design Demonstration Enterprise, National Key R&D Program, and National Intellectual Property Advantage Enterprise, along with over a hundred provincial-level certifications.

This year, the Company obtained UL-WTDP, CTF qualifications, and passed CNAS qualification review, significantly reducing testing cycles with national-level laboratories and world-class testing equipment, establishing a strong quality assurance "shield".

This year, the Company's Changsha Global R&D Center completed construction and officially started operation, capable of accommodating 2000 R&D personnel.

This year, the Company continued to build its independent industrial ecosystem and enhance its supply chain capabilities. We now have a complete sheet metal production chain and flexible automation production line for magnetic wire components, improving industrial integration capabilities and long-term competitiveness.

This year, the Company's Zhuzhou Global Manufacturing Base's three-dimensional warehousing project officially started, with a height of 24 meters and a depth of 85 meters. Twenty high-speed and heavy-duty stacker cranes operate 24 hours for automatic sorting and distribution, empowering a new chapter in intelligent manufacturing.

This year, the Company's production base in Thailand began construction, with a planned construction area of 33,752 square meters. Fifteen SMT lines and supporting PCBA assembly production lines will be built, achieving an annual output value of 2 billion RMB after full production, marking a new milestone in Megmeet's global development.

With unwavering determination and focused efforts, Megmeet is poised to continue pushing the boundaries of innovation and script a new chapter of success in 2024...



## Megmeet Honors Awards in 2023



**January 2023**  
Zhuhai Watt was awarded in 2023:  
Outstanding Contribution to Power Industry  
Shenzhen Megmeet Electric Co., Ltd.

**October 2023**  
Ministry of Industry and Information Technology  
"Industrial Product Green Design Demonstration Enterprise"  
Zhejiang Yihe Sanitary Ware Co., Ltd.

**April 2023**  
Specialized and New Small and  
Medium-sized Enterprises  
Shenzhen Megmeet Electric Co., Ltd.

**November 2023**  
2023 ICSC Enterprise of the Year in  
Industrial Control China  
Shenzhen Megmeet Electric Co., Ltd.

**May 2023**  
First Prize of Guangdong Provincial  
Technical Invention Award  
Shenzhen Megmeet Drive Software Technology Co., Ltd.

**November 2023**  
Top Ten New Products of the Third ICSC  
China Conference in 2023  
Shenzhen Megmeet Electric Co., Ltd.

**May 2023**  
GE Healthcare Ecosystem Conference  
"Comprehensive Domestic Award"  
Shenzhen Megmeet Electric Co., Ltd.

**November 2023**  
2023 National Intellectual Property  
Advantageous Enterprise  
Shenzhen Megmeet Electric Co., Ltd.

**September 2023**  
Silver Award in the 2023 "Knowledge Creation Cup" Enterprise  
Intellectual Property and Innovation Practices Competition  
Shenzhen Megmeet Electric Co., Ltd.

**November 2023**  
National High-tech Enterprise Certificate  
Shenzhen Megmeet Electric Co., Ltd.

**October 2023**  
2023 Welding Robot Industry Chain Pioneer Award  
Shenzhen Megmeet Welding Technology Co., Ltd.

**September 2023**  
The 10th Shenzhen Growing Enterprises "Best Employer"  
-Best Employer Organization and Management Award  
Shenzhen Megmeet Electric Co., Ltd.

**October 2023**  
2023 "Boiling Quality Award"  
Shenzhen Megmeet Welding Technology Co., Ltd.

**December 2023**  
Specialized and New Small and Medium-sized  
Enterprises in Zhejiang Province  
Zhejiang Oulide Precision Technology Co., Ltd.  
Hangzhou Chenkong Intelligent Control Technology Co., Ltd.



# Company's 2023 Milestones

## January 5, 2023

Megmeet received the title of "Guangdong Province Intellectual Property Demonstration Enterprise"

## February 2, 2023

Megmeet joined the Open Data Center Council (ODCC)

## February 10, 2023

Megmeet received the U.S. U Grant WTDP and CTF testing laboratory qualification

## March 15, 2023

Megmeet unveiled its full range of new energy vehicle charging modules at the EV Trend Korea Expo

## April 3, 2023

Megmeet's subsidiary Yihe Sanitary Ware has successively been awarded the provincial-level "Digital Workshop" and the national-level "Green Factory" titles

## April 25, 2023

Inauguration of "Megmeet & Wuhan Institute of Technology Joint Laboratory" and "Wuhan Institute of Technology Postgraduate Training Base"

## May 19, 2023

2023 Supplier Conference of Megmeet was held grandly

## June 11, 2023

Megmeet made its debut at the 36th World Electric Vehicle Conference in the United States, creating a new experience for electric vehicle charging

## June 17, 2023

2023 Automation Industry Summit Forum of the Greater Bay Area, the total title of Megmeet, was successfully concluded.

## July 29, 2023

Twenty and sharpening, Megmeet walks forward", the 20th anniversary of the establishment of Megmeet was warmly celebrated!

## August 29, 2023

Shenzhen Industrial Automation Industry Association visited Megmeet

## September 1, 2023

The launching ceremony of Megmeet's intelligent warehousing project was successfully held!

## September 19, 2023

Megmeet made its first appearance at the 23rd China International Industry Fair

## October 12, 2023

Megmeet successfully sponsored and hosted the 2023 (2nd Edition) Welding Robot Technology and Application Summit

## October 29, 2023

Megmeet Electric's global development went one step further! The groundbreaking ceremony for Megmeet's Thailand base was successfully held!

## November 1, 2023

Smart control of the future, Megmeet appeared in the 2023 China Industrial Control Conference!

## November 15, 2023

Launch of the new official website and small program! Bring a brand new experience!

## November 29, 2023

Shenzhen Megmeet Electric was awarded the title of "2023 National Intellectual Property Advantageous Enterprise"

## December 1, 2023

Zhuzhou Megmeet once again advances into the Top Ten Private Enterprises of Zhuzhou in 2023

## December 11, 2023

Megmeet is honored with the title of "National Intellectual Property Advantage Enterprise of 2023"

## December 29, 2023

Official Announcement! Megmeet IP mascot "Mai Duner" was coming!

# Sustainable Development Management

01



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Adhering to the orientation of sustainable development and taking environmental protection, social responsibility, corporate governance and innovative development as its core concepts, Megmeet continuously refines its management system and business model, and devotes itself to fostering a harmonious relationship among economic prosperity, societal well-being, and environmental preservation, thereby making meaningful contributions to sustainable development goals.

## Sustainability Strategy

Megmeet has set up an ESG system construction committee, chaired by the Company's Chief Operating Officer (COO), to ensure the effective implementation of the ESG system construction work. Based on the development strategy and the four dimensions of "market", "corporate governance", "society" and "environment", the Company regularly reviews important ESG issues and identifies the most important ones. The Company regularly reviews ESG key issues and identifies and evaluates ESG risks and opportunities facing the Company. The management and enhancement of key issues are incorporated into the annual ESG development strategy to ensure the continuous improvement and development of the Company's ESG, maximizing long-term benefits and fully fulfilling social responsibilities.

In 2023, the Company continued to improve the existing ESG management system and system construction in order to adapt to the ever-changing market demand and social responsibility. In terms of "market", the Company prioritizes patent management, enhances its R&D strength, promotes R&D innovation, increases R&D investment, and produces and promotes green products, thereby promoting the construction of a green industrial chain. In terms of "Corporate Governance", the Company values the establishment of internal management and supervision mechanisms to ensure the standardization and transparency of corporate governance and to enhance the trust and satisfaction of shareholders and stakeholders.

Meanwhile, the Company is committed to participating in community building, public welfare activities and employee benefits, and contributing to society through various means to promote social harmony and development. With regard to the "environment", the Company attaches importance to environmental protection and sustainable development, and proactively implements measures to mitigate environmental impact and enhance resource utilization efficiency, thereby fostering a symbiotic relationship between economic growth and ecological equilibrium.

Based on the development strategy and the four dimensions of "market", "corporate governance", "society" and "environment", the Company regularly reviews important ESG issues, identifies and evaluates ESG risks and opportunities faced by the Company, and monitors the management and performance of related issues. The management and enhancement of key issues will be incorporated into the annual ESG development strategy to ensure the Company's continuous improvement and development in ESG, maximization of long-term benefits and full fulfillment of social responsibilities.

## Megmeet ESG Management

### ESG Management System Construction Committee Membership and Responsibilities

- ▶ **ESG Management System Construction Committee Chairman:** Responsible for the overall operation of the ESG Management System Construction Committee and ensuring that the Committee has the resources it needs to continue to operate effectively.
- ▶ **ESG Management System Construction Advisor:** Ensure that the Committee has the professional resources it needs, participate in senior-level interviews and provide professional advice to support the Committee's operations.
- ▶ **Executive Director and Deputy Director of ESG Management System Construction Committee:** Responsible for communicating with service providers, formulating ESG work plan, organizing the Company's personnel to complete the annual ESG information collection, and assisting in the completion of the ESG report and its smooth disclosure. Cooperate with the service agency to complete the quantitative performance indicator manual for ESG performance management of Megmeet, and establish the responsible personnel for each ESG module of the Company, and formulate working guidelines and standardized processes to ensure the perfect operation of the ESG management system of the Company.
- ▶ **Executive member of the ESG Management System Construction Committee:** Participate in the annual collection of disclosure data corresponding to ESG modules, participate in ESG module management planning, and formulate fixed templates and processes for the smooth operation of daily collection and supervision.

## Specific Actions for Megmeet's Contribution to the SDGs

Corresponding chapter	Sustainable development goals	Our actions
Keeping the Heart and Soul of the Business	16 和平、正义与强大机构 17 促进目标实现的伙伴关系	Strengthening Corporate Governance Complying with the Law Optimizing Governance Structure Safeguarding Intellectual Property Rights Anti-Corruption and Integrity
Showing Ingenuity and Innovative Development	7 经济适用的清洁能源 9 产业、创新和基础设施 12 负责任消费和生产 17 促进目标实现的伙伴关系	Green R&D Innovation Drive Green Production Energy Management Quality Management Customer Relationship Management
Toward Environmental Development, Being Environmental Pioneers	6 清洁饮水和卫生设施 7 经济适用的清洁能源 12 负责任消费和生产 13 气候行动	Improving Environmental Management Systems Responding to Climate Change Clean Technology Development and Utilization Water Resource Use and Management Waste Discharge and Management Resource Recycling
Reliable and Stable Cooperation	16 和平、正义与强大机构 17 促进目标实现的伙伴关系	Supply Chain Management Community Relations Empowering the Industry Chain
Cohesion and Cooperation	5 性别平等 8 体面工作和经济增长 10 减少不平等 16 和平、正义与强大机构	Equal Opportunity and Diversity Prohibition of Child Labor Employee Motivation and Training Employee Care Employee Benefits Employee Health and Safety
With Sincerity, Walking Together	1 无贫困 2 零饥饿 4 优质教育 16 和平、正义与强大机构 17 促进目标实现的伙伴关系	Industry Development and Cooperation Community Giving Back Rural Revitalization Education Relief

# Stakeholder Communication

To facilitate a comprehensive understanding of Megmeet among investors and foster interactive communication, the Company organizes an online performance presentation every year to enable investors to have a better understanding of the Company's annual report and experience of the current year, and also participates in the "Online Collective Reception Day for Listed Company Investors" activity which is guided by the Shenzhen Bureau of Securities Regulatory Commission, and jointly organized by Shenzhen Association of Listed Companies and Shenzhen Panorama Network Company Limited. Ltd. jointly organized by Shenzhen Listed Companies Association and Shenzhen Panorama Network Co., Ltd. During these engagements, executives of the Company engage in online discussions with investors on various topics, including the Company's performance, corporate governance, development strategy, operational status, financing plans, equity incentives, and sustainable development initiatives.

Key Stakeholders	Expectations and Requirements	Communication Style
Shareholders	Shareholder Returns Information Disclosure Risk Management Corporate Governance Business Performance	General Meeting of Shareholders Information disclosure on Company's official website and official WeChat Official Accounts Periodic reports, ESG reports, performance reports Roadshows, surveys, telephone calls, emails, Shenzhen Stock Exchange's "Interactive Ease" platform, etc.
Government and regulatory agencies	Observe Law and Discipline Compliance of Operation Anti-Corruption Leading Local Development Responding to National Strategies	Information disclosure Cooperate with regulatory agencies for verification Participation in government research activities Policy Implementation
Clients	Clean Energy Product Offering Customer Service Product Quality and Safety Product Conformity	Disclosure of information on the Company's official website and official WeChat Official Account Customer consultation and complaints Technical Seminar Customer Satisfaction Survey Periodic audit, customer audit
Employees	Employee Rights & Benefits Occupational Health and Safety Employee Training and Development Benefits and Compensation	Employee Physical Examination Employee Activities Employee Training Employee Handbook
Suppliers and partners	Open and Honest Cooperation R&D Innovation Win-Win Development Supply Chain Sustainability	Telephone communication Unscheduled visits Academic seminars, industry exhibitions, exchange meetings, industry training
Community, public, media, etc.	Emissions and Waste Management Water Stress Energy Management Community Relations Public Welfare and Charities	Press Releases, social Media Energy Saving and Emission Reduction Activities Pollutant Treatment Community Building Programs Public Welfare Donation Social Welfare Programs

# Substantive Issues Management

In 2023, Megmeet conducted a screening of ESG substantive issues to address the expectations of various stakeholders. Through extensive consultations with experts and a thorough assessment of the Company's actual circumstances, Megmeet identified 20 ESG issues that are highly relevant to the Company. This initiative signifies Megmeet's commitment to meeting the demands of diverse stakeholders and pursuing a comprehensive and sustainable approach to ESG management for long-term development.



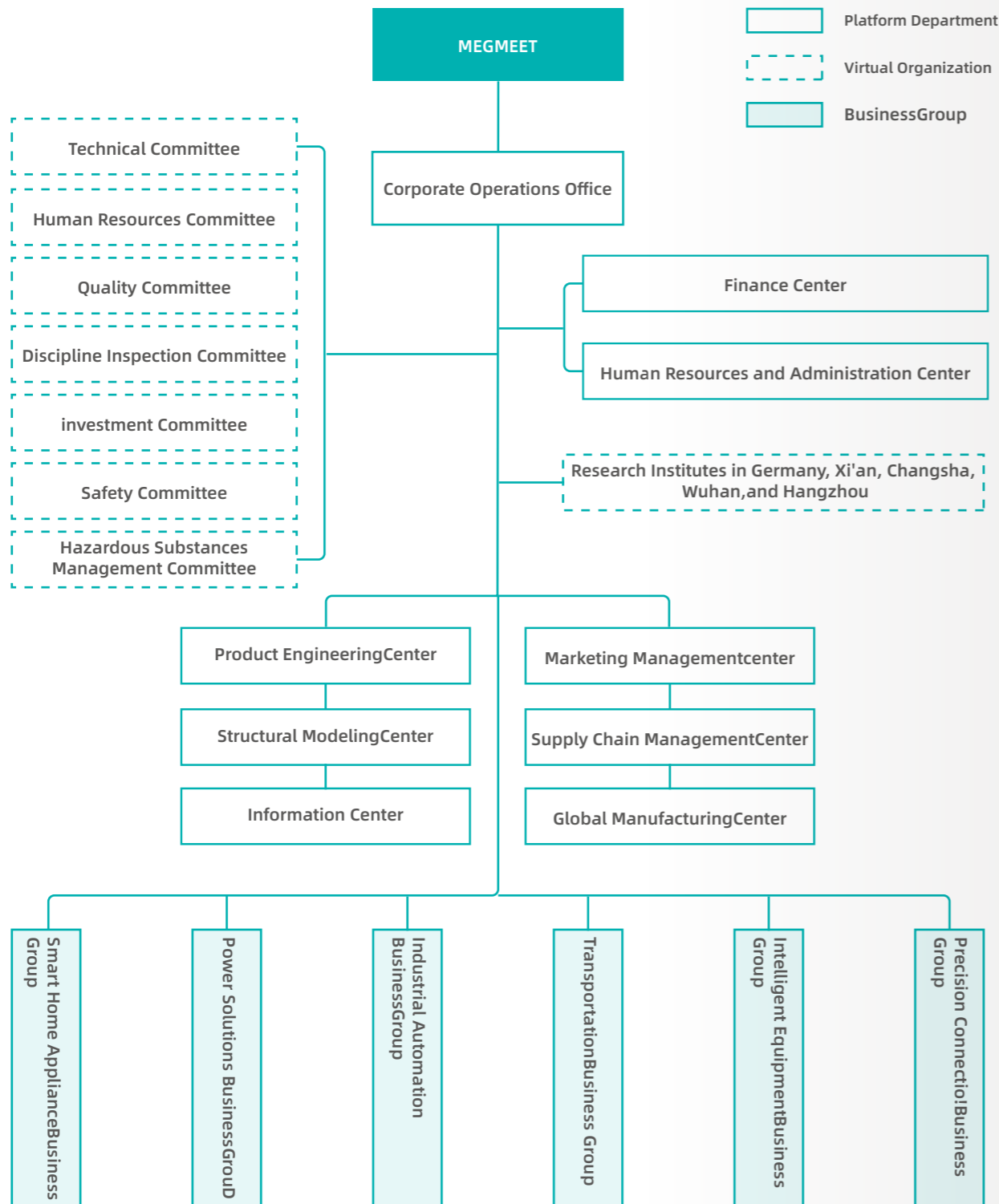
# Keeping the Heart and Soul of the Business

02

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# Corporate Governance



## Governance Structure of Megmeet

In compliance with the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies and other relevant laws, regulations and standardized documents, Megmeet continuously enhances the corporate governance structure, establishes and improves the internal control system, and leverages effectiveness of the corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the senior management. This ensures the establishment of a coordinated mechanism with clear delineation of powers and responsibilities, promoting standardized operations and mutual checks and balances among authority, decision-making bodies, supervisory entities, and management.



Board of Directors

In accordance with national laws and regulations and the Company's Articles of Association, the Company has established a standardized governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the operating management. The Board of Directors consists of four specialized committees, namely, Audit Committee, Strategy Committee, Remuneration and Evaluation Committee and Nomination Committee, and the Office of the Board of Directors. The four specialized committees are responsible for the development strategy, audit, nomination, selection, management and performance appraisal of directors and senior management of the Company respectively.

During the reporting period, the specialized committees of the Board performed their duties conscientiously and gave full play to their professional advantages and functional roles in accordance with the Guidelines on the Governance of Listed Companies and the Company's Work System of Specialized Committees of the Board of Directors, which provided good support for the decision-making of the Board of Directors. The independent directors and the secretary of the Board of Directors have effectively enhanced the scientificity and fairness of the Board of Directors' decision-making, and the corporate governance has been able to operate effectively in accordance with the relevant laws and regulations and internal systems such as the Articles of Association of the Company.

The Company elects directors and employs executives in strict accordance with the selection and appointment procedures stipulated in the Company Law and the Articles of Association, and the Board of Directors of the Company consists of five directors, including two independent directors. The Company has one female director, accounting for 20% of the total number of board members. The number and composition of the Board of Directors are in compliance with the requirements of laws and regulations, and due consideration has been given to diversification in order to enhance the capability of the Board of Directors and the overall level of governance. The Directors carry out their work in accordance with the Rules of Procedure of the Board of Directors, the Working System of Independent Directors, and the Shenzhen Stock Exchange Self-disciplinary Supervision Guidelines for Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies, attend the Board of Directors and the General Meeting of Shareholders, and perform their duties and obligations diligently and conscientiously, and at the same time, actively participate in the relevant trainings and study relevant laws and regulations to continuously improve their performance of duties. The Independent Directors are not influenced by the Company's controlling shareholders, de facto controllers and other units or individuals with an interest in the Company, and fulfill their duties independently and express independent opinions on major matters of the Company.



General Meeting of Shareholders

The Company strictly follows the requirements of the Articles of Association and the Rules of Procedure for Shareholders' General Meetings to convene and hold shareholders' general meetings in a standardized manner, to ensure that all shareholders, especially small and medium-sized shareholders, enjoy equal status and to ensure that small and medium-sized shareholders have the right to be informed of and participate in major matters of the Company, as well as the right to vote. The actual controller of the Company is able to strictly regulate its own behavior, and the Company has not provided guarantees for the controlling shareholders or the controlling shareholders' non-operational occupation of the Company's funds.

During the reporting period, the Company held 2 shareholders' meetings, including 1 annual general meeting and 1 extraordinary general meeting. The convening and procedures, the qualifications of persons attending the meetings, the voting procedures, the voting results and the disclosure of the resolutions were all in accordance with the relevant laws, administrative regulations, departmental rules, standardized documents and the Articles of Association, etc., and the matters which should be voted on at the shareholders' general meetings were submitted to the shareholders' general meetings for consideration after approval in accordance with the corresponding authority, and were not submitted to the shareholders' general meetings for consideration after approval. They were submitted to the shareholders' general meeting for consideration after approval, and there were no cases of ultra vires approval or implementation before consideration. Both on-site meetings and online voting were provided at the shareholders' general meetings to ensure that shareholders could participate in the governance of the Company in an equal and effective manner. The cumulative voting system is utilized in the consideration of motions for the election of non-independent directors, independent directors and supervisors of the Company. Through various systems, the exercise of small and medium-sized shareholders' rights to information, participation and decision-making is guaranteed, thus effectively safeguarding the legitimate rights and interests of the majority of investors.



Supervisory Board

The Supervisory Board of the Company consists of three members, including one employee representative supervisor, who was elected by the Employee Representative Assembly. The number and composition of the Supervisory Committee are in compliance with the laws, regulations and the provisions and requirements of the Articles of Association of the Company. The Supervisory Committee of the Company conscientiously performs its duties in accordance with the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Articles of Association and the Rules of Procedure of the Supervisory Committee to supervise the Company's material matters, financial status and the legality and compliance of the performance of duties by the directors and executives of the Company, and to safeguard the legitimate rights and interests of the Company and the shareholders.

Held **6**  
board meetings

Held **2**  
general shareholders'  
meetings

Held **5**  
Supervisory Board  
meetings

**42**  
resolutions adopted  
at board meetings

**16**  
resolutions adopted  
at shareholders' meetings

**26**  
resolutions adopted  
at Supervisory Board meetings

### Principle of Equality

Listed companies shall treat all investors equally when carrying out investor relations management activities, especially creating opportunities and providing facilities for small and medium-sized investors to participate in the activities.

### Principle of Initiative

Listed companies shall take the initiative to carry out investor relations management activities, listen to investors' opinions and suggestions, and respond to investors' demands in a timely manner.

### Principle of Honesty and Trustworthiness

Listed companies shall focus on honesty and trustworthiness, adhere to the bottom line, standardize operation, take responsibility and create healthy and good market ecology in investor relations management activities.



## Information Disclosure

The Company discloses information strictly in accordance with the relevant laws and regulations such as the Rules for Listing of Stocks on Shenzhen Stock Exchange and the Guidelines for the Standardized Operation of Listed Companies on Shenzhen Stock Exchange, as well as the requirements of the Company's Investor Relations Management System and Information Disclosure Matters Management System, and follows the principles of openness, fairness and impartiality, and discloses information truthfully, accurately, completely and timely in the designated information disclosure media such as China Securities Journal, Securities Times, Securities Journal, Shanghai Securities News, and the website (www.cninfo.com.cn) information disclosure media to ensure that the general investors enjoy equal right to know.

In 2023, the Company disclosed a total of 79 reports, and the information disclosure rating of the Shenzhen Stock Exchange for four consecutive years was A. During the reporting period, the Company did not have any illegal incidents in information disclosure.



## Investor Relations Management

The Company strictly follows the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other relevant laws and regulations, and takes the Articles of Association, the Investor Relations Management System, the Connected Transaction Management System and other systems as the basis for the protection of shareholders' rights and interests. The Company adheres to the four basic principles of investor relations management to carry out investor relations management activities:

### Principle of Compliance

The investor relations management of listed companies shall be carried out on the basis of fulfilling the information disclosure obligations in accordance with the law and in compliance with the laws, regulations, rules and normative documents, industry norms and self-regulatory rules, internal rules and regulations of the Company, as well as ethical norms and codes of conduct generally observed in the industry.

Since its listing, the Company has always attached great importance to investor relations management, and has taken the Securities Department as a window to actively interact with investors through multiple channels, platforms and methods to enhance investors' understanding of the Company and their confidence in the Company. The Company communicates with investors through channels such as the Company's official website, new media platforms, telephone, fax, e-mail, and investor education bases, utilizing the network infrastructure platforms of the China Investor Network and stock exchanges, securities registration and settlement institutions, etc., and adopting the methods of shareholders' meetings, investor briefings, roadshows, analysts' meetings, reception of visits, and seminars and exchanges. At the same time, the Company has arranged specialized personnel to be responsible for the maintenance of the aforesaid channels and platforms to ensure timely and effective communication. During the reporting period, the Company conducted a total of 3 investor relations activities for on-site investor research.

The Company organized the 2022 Online Performance Presentation to enable investors to further understand the Company's annual report and experience for the year, and participated in the "Online Collective Reception Day for Listed Company Investors" jointly organized by Shenzhen Listed Companies Association and Shenzhen Panorama Network Co., Ltd. The executives communicated and exchanged with investors online on issues of concern to investors, such as the Company's performance, corporate governance, development strategy, operation status, financing plan, equity incentives, and sustainable development.

The Company has set up an "Investor Relations" column on its official website to publish Company announcements, routine investor reception arrangements, and other relevant information for investors' inquiry.



# Compliance Operations

Megmeet attaches great importance to the establishment of internal compliance management system and risk management, and continuously optimizes the internal audit workflow to ensure the legality, standardization, and stability of the Company's operation.



### Compliance Operation

Megmeet has formulated the Megmeet Enterprise Internal Control Management System and other internal compliance management systems, and has implemented classification and management for a number of sections within the company, such as capital, procurement, sales, subsidiary management, information systems, and internal auditing, and has organized and promoted internal control work in strict accordance with the system.



### Risk Control System and Initiatives

Megmeet has established a robust risk management system consisting of three lines of defense, including effective self-control by each department, professional management by the risk management department, and post-event supervision and evaluation by the internal audit department, which effectively guarantees the comprehensive and hierarchical nature of risk management.

The Company has established a rigorous and scientific internal control system and formulated effective internal control evaluation standards to prevent risks in operation and management and promote the realization of internal control objectives through operation, analysis and evaluation.



### Internal Audit

Megmeet carries out annual audits, prepares annual audit reports, and holds audit committee meetings to audit the Company's connected transactions to ensure the timeliness and comprehensiveness of the audits.

The Company actively carries out internal audits to address various risks and internal control deficiencies through special audits, special reports, and special rectifications to avoid recurrence of relevant issues in its operations.

Megmeet upholds the integrated approach of compliance operation, risk control, and internal audit, and continuously optimizes the internal control system and internal audit workflow to ensure the effective implementation of the Company's internal control management work and promote the healthy growth of the enterprise. In the future, the Company will continue to strengthen compliance management and risk control, and continuously enhance the standard of internal audit work to meet the challenges of the increasingly complex business environment and achieve long-term sustainable development goals.



# Business Ethics



## Anti-Corruption and Integrity

Megmeet strictly adheres to the Criminal Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition, the Provisional Provisions on the Prohibition of Commercial Bribery, and other national policies, regulations and guidelines, and formulates and follows the Provisions on the Investigation and Handling of Violations of Law and Discipline and the Code of Conduct for Purchasing and Purchasing-Related Businesses, as well as other management systems, to adhere to the fight against corruption and promote honesty and integrity, and to deal with violations of laws and regulations in a serious manner in order to safeguard the corporate operating integrity and standardization of business operations.

The Company requires all employees to consciously abide by anti-corruption and anti-bribery laws and regulations, refraining from engaging in any form of corrupt activities or bribery. All personnel are required to sign the Integrity Commitment with the Group upon joining the Company. In case of violations, the Group retains the right to impose unpaid dismissal, or even refer the matter to the relevant judicial authorities for prosecution. Employees are expected to maintain professionally appropriate interpersonal relationships when collaborating with government officials, customers, suppliers, etc. They must not accept any gifts, securities, or valuables, nor solicit kickbacks or accept disguised bribes from collaborating parties.

Employees must comply with the Company's evaluation procedures and principles of integrity in selecting or evaluating suppliers, outsourcing factories, engineering contractors and other activities, and must not violate the principles of fairness and integrity. At the same time, employees shall not utilize the name of the Company or their positions to seek personal benefits, nor shall they engage in part-time services with supplier units, nor shall they disclose confidential Company information for personal gain. Employees shall not participate in banquets or entertainment activities that may affect the fair execution of their work.

For violation of integrity requirements, the Company will impose severe punishment, including warning, demotion, transfer, withholding wages and year-end awards, and other sanctions. In case of serious violations, individuals will be transferred to judicial authorities for criminal prosecution. The Company has specific guidelines regarding activities such as employee-organized dinners or entertaining customers and suppliers, which must receive approval from senior leadership to ensure compliance. Emphasizing the importance of anti-corruption measures, the Company encourages employees to adhere to ethical standards, thereby safeguarding the Company's reputation, image, and ensuring its sustainable development.



## Anti-Corruption Training

To embody the Company's culture and values and enhance the culture of integrity, the Company conducted extensive publicity and education activities in 2023. Themed around "uprightness of heart and conduct, integrity in demeanor and temperament," these initiatives aimed to instill a strong moral concept of integrity among employees. The goal was to foster clean and efficient behavior, ensuring the healthy development of employees' careers while upholding ethical standards.

A total of 239 employees participated in the Integrity Culture Activity, which publicized the Code of Conduct for Procurement and Procurement-Related Businesses and other relevant policies and regulations. Through detailed explanations and discussions on the Company's integrity standards, employees gained a deeper understanding of the expectations regarding ethical behavior and were encouraged to adhere to conscientious compliance.

In response to the announcement, employees voted to confirm the implementation of various policies in the form of resolutions to ensure that employees have a clear understanding of the Company's Code of Conduct on Integrity and implement it in practice.

Employees signed the Megmeet Integrity Commitment at the activity site and solemnly promised to protect the legitimate rights and interests of the Company, suppliers and customers, practice the Company's core values, and do their best for the development of the Company with integrity and self-discipline.







## Open Reporting Channels

The Company adheres to the basic principle of “zero tolerance” for corruption, bribery and major fraud, and has set up a variety of efficient and open reporting channels, including opinion boxes, feedback mailboxes, messages on WeChat Official Account and EIP issues.

### Opinion Feedback Process:

- ▶ **Timely Response and Record:** Upon receiving any feedback or complaint from employees, the human resources department will give preliminary feedback and initiate the handling process within a specified period of time. All feedback and complaints will be recorded in detail and categorized according to the content and forwarded to the relevant person in charge for processing.
- ▶ **Closed-Loop Processing Mechanism:** The Company has designated personnel to track the progress of handling reasonable suggestions or complaints from employees. This ensures continuous feedback at every stage until the suggestions are adopted and implemented, or the problem is fully resolved.
- ▶ **Publication of Feedback Results:** The Company will publicize the results at the appropriate time, including the adoption of valuable suggestions and the effect of rectification of the problem.

### Whistleblower Protection Mechanism:

- ▶ **Anonymous Reporting:** The Company supports anonymous reporting. As long as the information provided is true and reliable, it can be used as the basis for investigation.
- ▶ **Anti-Retaliation Policy:** The Company strictly prohibits any form of retaliation against employees who report unfair treatment. Any instances of retaliation will be thoroughly investigated and addressed, and the whistleblower will receive strict legal protection.
- ▶ **Protection Measures:** The Company has developed strict protection measures, including but not limited to identity confidentiality, job transfer, legal aid, etc., to ensure the safety and rights of whistleblowers.
- ▶ **Reward Mechanism:** For employees who report serious violations and their reports are verified, the Company will provide certain material or spiritual rewards. This is to encourage employees to actively participate in supervising and maintaining the Company's positive operating environment.

The Company will continue to improve and perfect the reporting feedback system, complaint handling methods, and whistleblower protection mechanism to eradicate any instances of illegal or inappropriate behavior within the corporate and employee spheres.

### Reporting Channel:



▶ **E-mail:**  
qywh@megmeet.com



▶ **Enterprise WeChat Official Account:**  
Megmeet

## Intellectual Property Protection

Megmeet strictly abides by the Patent Law of the People's Republic of China, the Tort Liability Law of the People's Republic of China, the Corporate Intellectual Property Management Code and other relevant laws and regulations, and formulates and continuously improves a series of management systems and guidance documents for the protection of intellectual property rights, such as the A00 Code for the Management of Intellectual Property Litigation, the Management Measures for Specialized Rewards of Intellectual Property Rights, and the Operational Guidance for Intellectual Property Rights Proposals Process.

In 2023, the Intellectual Property Department updated the management measures for special rewards to better fit the actual operation of the Company, and adaptively updated the operation guidance documents for proposal process in accordance with the adjustment of the Company's platform. Meanwhile, in conjunction with the growing demand for intellectual property management, the Company added the Management System for Intellectual Property Suppliers, Manual for the Use of Group Trademarks and Management Specifications for the Protection of Product Information, aiming at a more standardized use of the Group's trademarks and a more effective protection of product information in the R&D process.

Relying on the FTO module in the Company's internal intellectual property management platform and the intellectual property node embedded in the PMS project management system, intellectual property engineers closely follow the progress of R&D projects, and assess and deal with intellectual property risks of the projects at various stages, such as project initiation, evaluation, and pilot testing, through both online and offline platform. The Company integrates intellectual property-related risk prevention into practical work, and formulates a systematic document for responding to the process when risks occur, which is Intellectual Property Litigation Management Standards.

In 2023, the Intellectual Property Department conducted a total of 24 fully documented IPR trainings for different business units of the Company, covering more than 470 people, including IPR training, IPR basics and skills practice, patent excavation and submission writing, etc., which effectively enhanced the IPR awareness of the Company's employees.



### Megmeet Carried out Training on Basic Knowledge of Intellectual Property Rights

In order to enhance employees' knowledge of intellectual property rights and strengthen their awareness of intellectual property protection, the Company carried out a training for the basic knowledge of intellectual property rights. The training started with an introduction to the basic concepts of intellectual property rights, and explained in detail different types of intellectual property rights such as patents, trademarks, copyrights, etc., so that the employees could understand the characteristics and scope of protection for each type of intellectual property rights. During the training, professional legal advisors explained to employees the laws and regulations on intellectual property rights at home and abroad, including patent law, trademark law, copyright law, etc., so that employees could understand the basic principles and legal procedures of intellectual property rights protection. Through case studies and interactive discussions, this training emphasized the importance of intellectual property protection, teaching employees how to identify and protect the Company's intellectual property rights, prevent infringement, and raise their alertness to intellectual property protection. Finally, this training covered the practical operation of IPR management, including patent application process, trademark registration process, copyright registration process, etc., which enabled employees to master the basic skills and operation methods of IPR management. After the training, the employees gained a deeper and more comprehensive understanding of IPR and realized the key role of IPR in the development of enterprises. They were able to better identify and protect the Company's intellectual property rights, and enhanced their self-awareness and initiative in protecting intellectual property rights, which will help the Company's long-term development and innovation continuously.

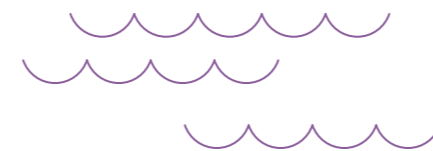


# Showing Ingenuity and Innovative Development

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# Annual Theme

## Megmeet - Green Everywhere



Focusing on The Transportation Industry,  
Creating Cutting-Edge New Energy Solutions

Megmeet is actively engaged in exploring the new automotive power and new energy integration ecology, fostering efficient synergy between new energy vehicles and renewable energy, and introducing comprehensive solutions for new energy vehicle power and charging systems.

### ★ Vehicle DCDC

The Company has developed high-efficiency power conversion equipment known as vehicle DCDC, which can convert the high-voltage electricity from the power battery in the vehicle into low-voltage 12V electricity for the whole vehicle low-voltage system power supply. The product employs advanced control technology and covers a wide range of power bands such as 1~3kW. Its efficiency exceeds 95%, with a compact structural layout, high power density, and flexible installation. Meanwhile, it can also be used for electrical integration with OBC/MCU and other components.



Vehicle DCDC is mainly used for vehicle entertainment systems, vehicle air conditioning, and other low-voltage equipment power supply, and has been successfully applied in a variety of passenger cars, logistics vehicles and bus air-conditioning systems, providing reliable power support for various types of vehicles.

### ★ R744 Heat Pump and Heat Management System

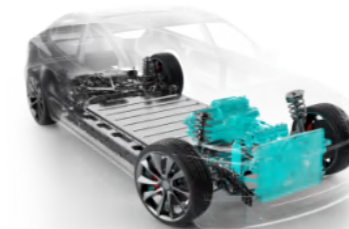
The Company employs recyclable and renewable materials, primarily aluminum and plastic, for manufacturing the heat pump and heat management system. Additionally, it adopts the environmentally friendly R744 (CO<sub>2</sub>) refrigerant, a purely natural option with zero Ozone Depletion Potential (ODP) and a Global Warming Potential (GWP) of 1. This choice aligns with the requirements set forth in the Kigali Amendment to the Montreal Protocol, and represents a significant factor and direction in the Company's endeavors to achieve its dual-carbon goals.



In addition, the R744 system is equipped with intelligent features and uses energy-based comfort algorithms that can significantly increase the winter range of electric vehicles, achieving the perfect unity of comfort and energy efficiency ratio. At the same time, we also adopt integrated and modularized design, which is convenient for various models to be equipped and matched.

Integrated Thermal Management System for Passenger/Commercial Vehicles

Onboard Battery Thermal Management System (BTMS\_EV)



Core product of heat pump and heat management system:

Battery Thermal Management System for Energy Storage (BTMS\_ESS)

Vehicle Multi-Electricity System (VMES)

### ★ Charging Pile Module

We are continuously increasing our R&D investment in new energy vehicle charging systems and implementing an integration strategy in the field of charging piles, with a focus on providing high-quality charging modules. We deeply understand the actual needs and pain points of our customers and are committed to providing them with more professional design and service. Currently, we have developed a range of multi-series and multi-voltage charging modules, with power ranging from 3kW to 30kW. Our products are characterized by high compatibility, flexibility, reliability, and availability, making them suitable for different types of vehicles. We are also leading the industry in terms of large-range constant power and high protection features.



First to propose the concept of constant power module;



Taking the lead in responding to the new national standard by increasing the drain resistance at the module end;

Taking the lead in strengthening the protection process;



Pioneers in launching high power, wide voltage range, and full range of constant power modules.



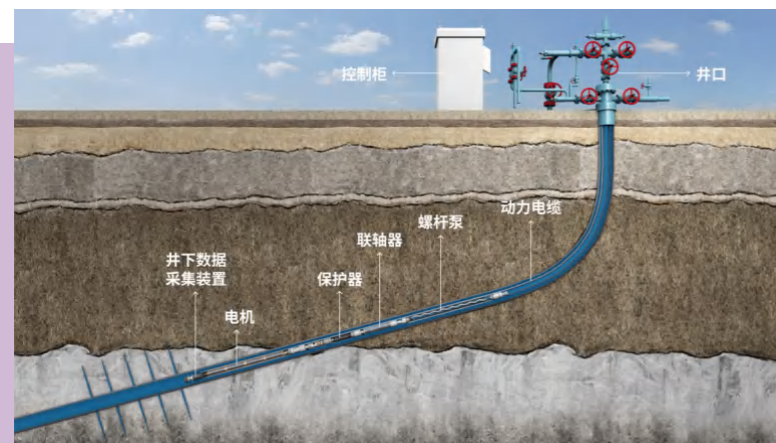
## Focusing on Engineering Industry, Creating Intelligent Oil Recovery System

Megmeet has launched an energy-efficient alternative to the high energy consumption traditional pumping equipment: the electric submersible screw pump intelligent oil recovery system. This system is designed to actively explore green, safe, and reliable solutions with intelligent management capabilities, aiming to achieve seamless integration of digitalization and environmentally friendly practices.

The Company has revolutionized traditional pumping equipment through advanced technology, resulting in the successful development of an electric submersible screw pump intelligent oil extraction system. This innovative system occupies a footprint of only 5 square meters and consumes just 7.5kW of power, leading to over 50% energy savings compared to products with similar displacement. Additionally, the system addresses the wear and tear issues associated with conventional rod lifting methods, making it more suitable for oil wells with complex well bodies and extending the pump inspection cycle.

Compared with traditional pumping equipment (such as conventional pumping units and surface direct-drive screw rods), the electric submersible screw pump intelligent oil recovery system will not cause leakage at the wellhead, which has a unique advantage in environmentally sensitive areas. In addition, the system later intervenes with temperature and pressure measurement devices and APP remote control, realizing intelligent operation, automatically adjusting the rotational speed to ensure the coordination of supply and discharge of oil wells and maximize the production, increasing the oil recovery speed of oil wells, meeting the diversified demands of the market, and improving the flexibility and economy of oil extraction, which opens up a prospective and innovative practice of digitalized extraction.

At present, the electric submersible screw pump intelligent oil recovery system has been widely used in horizontal wells, low production wells, thick oil wells, sandy wells and inclined wells, and the market share of screw pump rodless oil recovery in PetroChina's largest oilfield, Changqing Oilfield, is more than 90%, truly realizing digital energy-saving, safe and reliable high-efficiency oil recovery in the petrochemical industry.



## Intelligent Wellsite Management Mode

The electric submersible screw pump intelligent oil recovery system integrates an advanced control cabinet that connects with onsite video monitoring, intelligent inspection robots, and control cabinet operation robots. This system also utilizes cloud services and AI algorithms to achieve intelligent management in various aspects including risk management at the wellsite, environmental protection management, video violation identification, personnel identification, and 24-hour on-site surveillance of the control cabinet.



## Providing Green Solutions

**Cold Recovery of Thick Oil:** The Company adopts the electric submersible screw pump intelligent oil recovery system to replace the process of electric heated rod pump, realizing the cold recovery of high viscous oil wells without auxiliary viscosity reduction and overcoming the problems of large friction and high energy consumption of electric heated rod pump.



Rodless oil extraction has a large overflow area, which greatly reduces the oil pipe line friction loss;

The screw pump pumping is continuous and smooth, without pressure agitation effect on the oil layer;



High pumping efficiency screw lifting method realizes a significant increase in system efficiency.



## Focusing on Smart Home, Creating Smart Bathroom

Zhejiang Yihe Sanitary Ware Co., Ltd., a subsidiary of Megmeet, has long adhered to the concept of green development, integrating environmental factors into product design, adopting environmentally friendly raw materials, and devoting itself to the development of water-saving and environmentally friendly products.

### Value Chain and Multi-path Carbon Reduction

► **Green Raw Materials:** The raw materials used by the Company strictly comply with ROHS-related requirements and never contain harmful substances such as cadmium and arsenic. We promise consumers that all of our products are sourced from forests that can meet the social, economic, and ecological needs of the present and the future, in order to support Green Peace.

► **Green Design:** Yihe has a professional intelligent toilet design, development and research team, adopts CAX R&D and design informationization platform, and adheres to the innovative development path of independent research and development. The Company has established a global R&D system, and has taken the lead in launching international leading technologies, such as 900cc instant hot technology, and has actively undertaken the task of researching the quality of the core components of intelligent toilets;

► **Green Recycling:** The Company proactively embraces environmental protection by establishing a dedicated department responsible for the timely recovery and reuse of recyclable parts and materials. In our production processes involving items like paper tubes, cardboard boxes, plastic bags, and other packaging materials, we prioritize multiple uses to save costs and minimize resource consumption.

### Green Co-construction of Industrial Chain

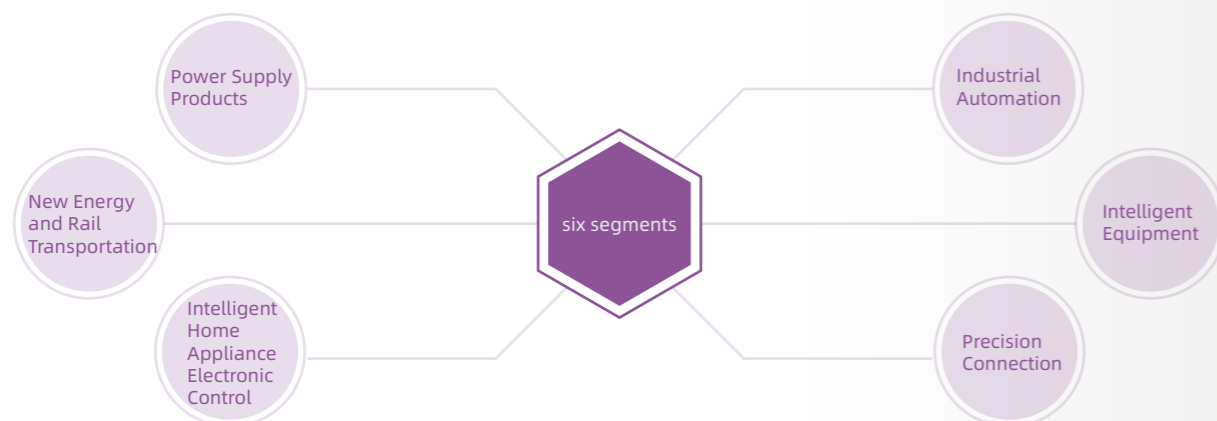
- ▶ **Low-Carbon Action Practice:** The Company has launched industry-leading energy-saving inverter instant hot smart toilet, and new green products such as independent water pressure and wall discharge, allowing customers to maximize the enjoyment of energy saving and environmental protection and practical convenience. We insist on the integration of dualization to build a digital system platform integrating the whole process control of products and mobile office with ORACLE-ERP as the basis, PLM as the technical end, MES, WMS and EIP as the executive end, so as to make production more efficient and quality more stable;
- ▶ **Empowering Downstream Customers:** The Company continues to innovate and develop new products, and a number of products have reached the national level of water efficiency standards, providing a solid foundation for the development of downstream products;
- ▶ **Green Standard Development:** The Company plays an active role in developing green design standards and has contributed to the creation of several standards such as the CEEIA278-2017 Intelligent Toilet Cover Green Design Standards and the GB38448-2019 Intelligent Toilet Energy Efficiency Water Efficiency Limit Values and Levels. In total, we have been involved in the development of 17 standards, aiming to steer the industry towards green and sustainable development.

## Green R&D and Innovation



### Green R&D Philosophy

The Company adheres to the mission of creating a more efficient use of electricity, a cleaner living environment, continuously improving productivity and a better life for mankind, and aspires to be the world's leading provider of products and solutions in electrical automation. As a one-stop solution provider in electrical automation, Megmeet takes power electronics and automatic control as its core technology, and its business covers six segments, including power supply products, industrial automation, new energy and rail transportation, intelligent equipment, intelligent home appliance electronic control, and precision connection.



The Company upholds the concept of innovation and development, and constantly explores and advances in research and development. We have established an R&D management system using the IPD (Integrated Product Development) model to standardize the R&D process and effectively guarantee the quality of our products. In addition, Megmeet has established a raw material audit process, including a review phase and a validation phase, to ensure that raw materials meet the design requirements of the R&D phase. Throughout the front-end R&D process, we strictly control material selection, design, and development based on national and industry standards, as well as customer requirements, to ensure that our products achieve optimal quality and performance levels.



### R&D Innovation Layout

Embracing the momentum of "global demand, global R&D, global product manufacturing, and global customers," the Company champions the symbiotic growth of science and industry. Leveraging profound expertise in power electronics and automatic control technology, our R&D endeavors span the entire industry spectrum—from material production and core manufacturing to system integration and recycling. This comprehensive approach has cultivated a distinctive digital and intelligent R&D system, enhancing our capacity for innovation and global competitiveness.

With an experienced R&D team and extensive and in-depth external cooperation, the Company has established a multi-departmental, internal and external synergistic R&D model, and has set up R&D centers in Changsha, Shenzhen, Xi'an, Wuhan, and Germany around the world, to build up a standardized, efficient, and sustainable R&D system.

The Company continuously ramps up R&D investment, promotes the construction of scientific research platform, and enhances R&D capability. The Company builds Megmeet Global R&D Center, which is the largest R&D headquarters of Megmeet Electric with the widest business coverage and the strongest R&D strength, including 8 laboratories in different fields such as safety certification, EMC, reliability, failure analysis, etc., two 3-meter electric darkrooms and one 10-meter electric darkroom, and 14 comprehensive laboratories of power electronics, aiming to reach the world's leading level in the development of software for power electronic parts and systems and build the largest testing laboratory in central China.

## Green Operation



### Low-Carbon Production

The Company integrates the energy management concepts of low carbon, energy saving and efficiency into its corporate culture, actively promotes the use of clean energy and environmentally friendly materials, and injects environmentally friendly attributes from the product design stage. We are committed to pursuing a green and low-carbon production mode, continuously optimizing the production process, reducing energy consumption, and improving energy efficiency. During the production process, we strive to reduce the use of energy and achieve energy saving and efficiency by improving the process and optimizing the energy structure.

Energy management stands at the core of our commitment to green and low-carbon manufacturing, embodying a crucial aspect of our journey toward sustainable development. The Company's energy consumption primarily comprises direct sources such as natural gas, gasoline, and diesel fuel, alongside indirect energy from purchased electricity.



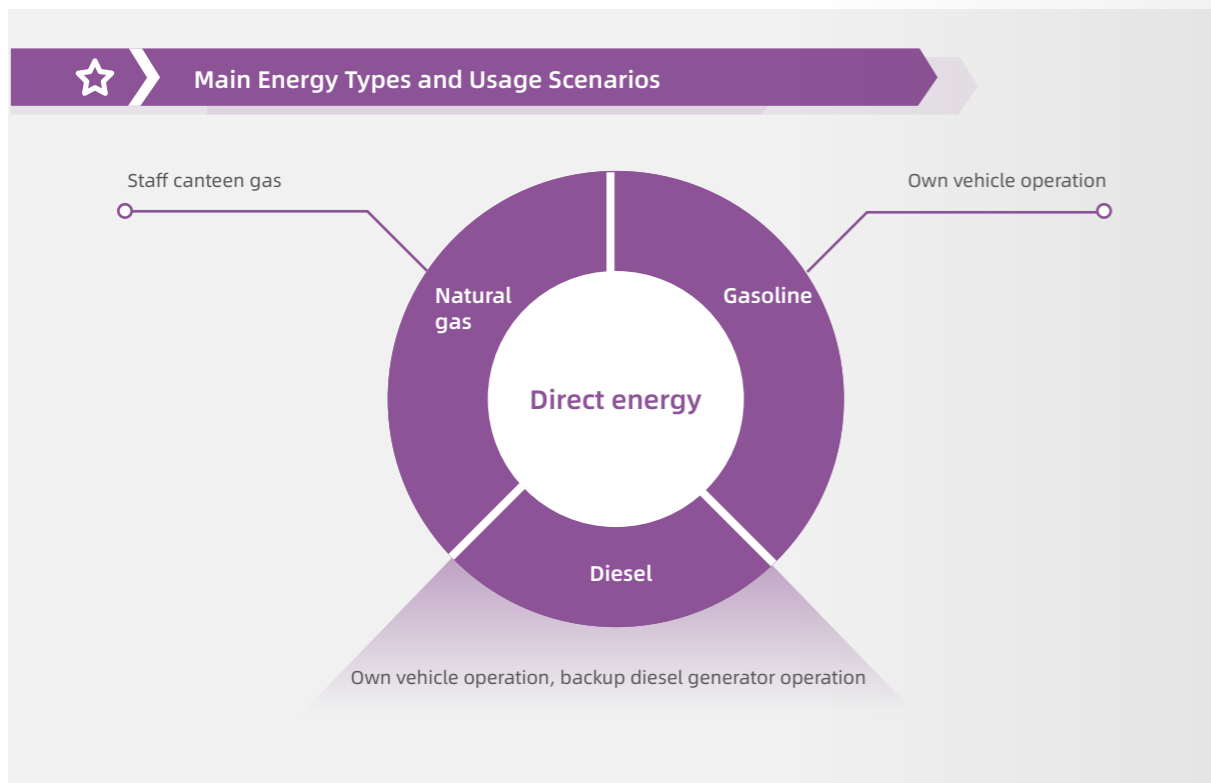
#### Energy Management Targets in 2023 for Yihe Sanitary Ware, a Wholly-owned Subsidiary of Megmeet



Energy consumption of 10,000 Yuan output value  $\leq 5.2$  kgce/million Yuan



Unit product consumption  $\leq 0.69$  kgce/unit.



The Company focuses on low-carbon operation and adheres to the energy management policy of "green and low-carbon, energy saving and efficiency". We actively cultivate energy-saving and low-carbon awareness and skills among all staff, and equip them with higher literacy and skill levels in energy saving and emission reduction through continuous training and education activities. During the reporting period, the Company controlled the usage of air-conditioners, elevators, lighting and other equipment in office areas to reduce energy consumption. At the same time, employees are encouraged to develop energy-saving habits in the daily office process, such as rational use of equipment, saving water, reducing paper waste, etc., so as to jointly commit to energy saving and emission reduction and realize sustainable development.



## Green Packaging

Megmeet is dedicated to upholding a packaging ethos centered on being "green, environmentally friendly, and sustainable." This ethos is seamlessly woven into every stage of our packaging design and material selection processes. We place paramount importance on mitigating negative environmental impacts and steadfastly advocate for the recycling and reusability of packaging materials. Within this framework, we have established the following goals:

- ▶ We should strive to minimize environmental impacts by reducing the amount of packaging materials used, the amount of energy consumed in the packaging process, and the amount of waste generated;
- ▶ We should improve the sustainability of packaging, adopt renewable or recyclable packaging materials, and extend the service life of packaging in order to realize the effective use of resources;
- ▶ Green packaging is not only a reflection of environmental protection, but also an effective way to enhance the Company's brand image. By adopting green packaging, the Company demonstrates our commitment to environmental protection and sustainable development, and enhances consumers' favorable impression of the Company and its brand image.

The green packaging is not only our responsibility, but also our commitment to future generations. We will continue to work hard to create a cleaner and greener future.

The Company has formulated detailed green packaging standards and specifications to clarify the requirements for the selection of packaging materials, packaging design, and packaging production. At the same time, the Company's supplier management system strictly requires suppliers to be evaluated in terms of green packaging, and prioritizes suppliers who can provide environmentally friendly and sustainable packaging materials.

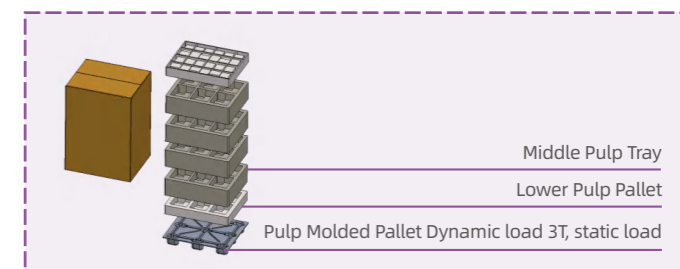
The Company has set up a Green Packaging Management Team and Committee, which are responsible for formulating green packaging strategies, supervising their implementation, and evaluating and adjusting the effectiveness of green packaging on a regular basis. The management team and committee are composed of representatives from R&D, production, purchasing, marketing, and other departments to ensure that the interests of all parties are balanced and coordinated.

### Packaging Recycling Program

- 1 ▶▶ We actively select recyclable and biodegradable packaging materials, such as cardboard and bioplastics, to minimize the adverse impact on the environment. By using these materials, the Company reduces the carbon footprint of packaging and promotes the efficient use of resources;
- ◀◀ 2 We have optimized our packaging design to reduce the use of unnecessary packaging materials. The use of compact packaging design can effectively reduce wasted space and improve packaging efficiency, while reducing transportation costs and carbon emissions;
- 3 ▶▶ For certain products or components, we have designed recyclable packaging solutions, such as reusable plastic boxes or trays, to achieve reuse during multiple shipments and storage, and to reduce the consumption of packaging materials and the generation of waste;
- ◀◀ 4 We actively encourage our customers to return used packaging to the Company for recycling. In order to achieve this goal, the Company has established corresponding recycling systems and processes, and cooperates with customers to jointly promote the recycling of packaging and reduce environmental loads.

### MRF280-TCU Project

The Company launched the MRF280-TCU project, which aims to fully adopt paper packaging design to realize energy saving, environmental protection, cost reduction, and efficiency improvement. The project solution includes the use of a design that combines molded pallet (bamboo powder) and pulp molding, and the introduction of paper boxes to replace the traditional plastic packaging structure to achieve de-plasticized packaging. It also adopts low-density weight reduction technology to further reduce packaging weight and minimize energy consumption and material waste.





### Green Logistics

The Company is committed to promoting green logistics management and has taken a series of measures to achieve this goal. Firstly, we actively adopt recycled logistics containers, such as pallets and crates, to reduce the use of disposable plastic packaging, to realize the recycling of logistics packaging and to reduce the environmental load. Secondly, we optimize our transport packaging to reduce the consumption of packaging materials, while ensuring the safety of our products during transport and improving transport efficiency. In addition, we work closely with our logistics partners to promote green logistics practices, such as adopting environmentally friendly transport vehicles and optimizing transport routes to reduce energy consumption and environmental emissions during transportation. Finally, we establish a packaging reuse and recycling mechanism with express transportation companies to recycle and dispose of used transportation packaging to realize the recycling of resources and make positive contributions to the sustainable development and practice of green logistics.

## Product Quality and Customer Service



### Quality Management System

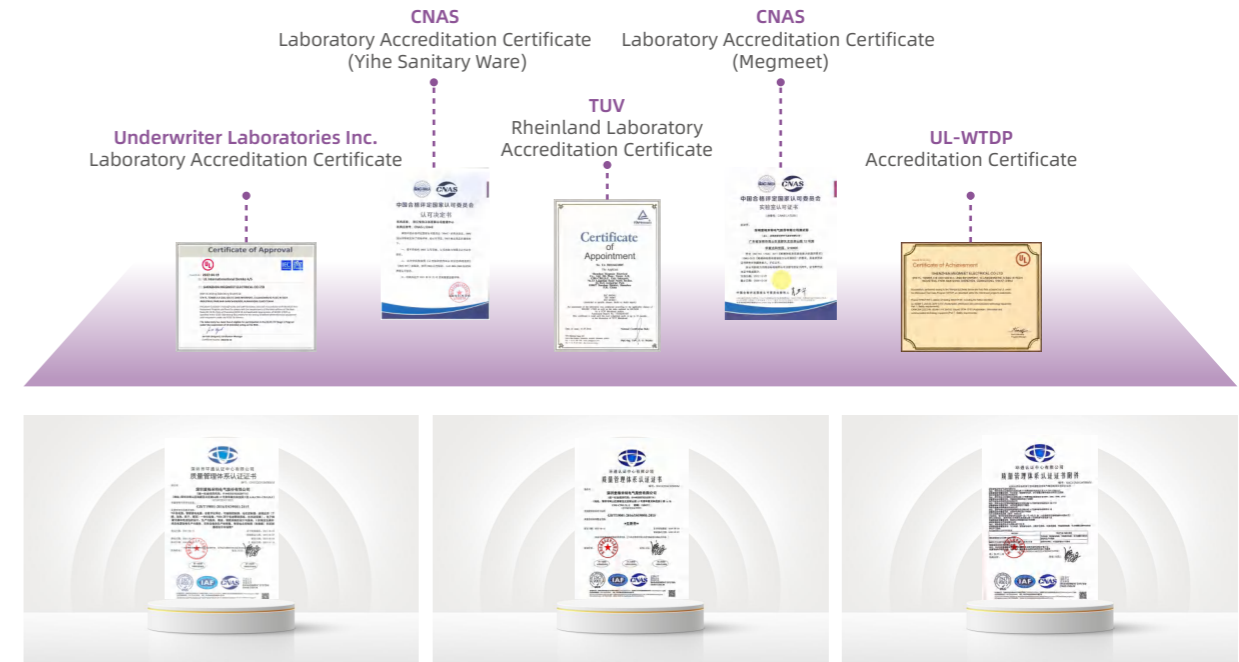
Megmeet strictly observes the Product Quality Law of the People's Republic of China, Standardization Law of the People's Republic of China and GB 4943, GB/T 9254, GB15579, IEC 60601-1, GB31241, GB4706, GB/T 18387, GB/T 18487, IEC 61215-2 IPC600, IPC610, IPC620 and other domestic and international product quality and safety policies and standards. We develop and implement the Management System Manual, Medical Management System Manual, Functional Safety Management Manual, Document Control Program, Record Control Program, Internal Audit Control Program, Management Review Control Program, Equipment Control Program, Emergency Preparedness and Response Control Program, Human Resources Control Program, Contract Review Control Program, Customer Satisfaction Control Program, Nonconformity Control Program, Corrective and Preventive Control Program, Marking and Traceability Control Program, Compliance Evaluation Program, Monitoring and Measuring Devices Control Program, Customer Feedback Control Program, Design and Development Control, After-sales Service Control Program, Purchasing Control Program, Production and Service Control Program, Service Control Program, Feed Inspection Code of Practice, Process Inspection Code of Practice, Finished Product Inspection Code of Practice and a series of system documents related to quality objectives and quality management system.

Megmeet attaches great importance to quality management, and always adhere to the quality strategy of "zero-defect ideology". We strictly follow the ISO9000 quality management standard and have established several product quality management systems, including ISO13485 quality management system for medical devices and IATF16949 quality management system for automotive industry. The Company not only strengthens quality control during product design, production and delivery, but also focuses on quality management throughout the product life cycle to ensure the delivery of high quality and reliable products to customers.

In 2023, Megmeet further expanded the scope of product quality certification to include charging piles, photovoltaics and wind power. The Company has also added new product quality certifications in categories such as automotive thermal management systems and medical ventilator products. By strengthening the quality certification of the products, it guarantees the quality and reliability of the products and provides customers with better and more reliable products.



During the reporting period, the Company has achieved ISO 9001:2015 quality management system certification. The testing capability and management system of the Company's laboratory have been recognized by authoritative institutions, with qualifications such as CNAS, TUV, UL-WTDP, UL-CTF, etc. The test results are mutually recognized globally, providing strong technical support for both the R&D verification of new technologies and the monitoring and verification of process products.



The Company did not have any active or passive recall of products due to product quality problems in the course of operation in 2023. Its subsidiary, Zhejiang Yihe Sanitary Ware, won the "Boiling Quality" Award and the Science and Technology Progress Award of Zhejiang Province in 2023 for its product, Yihe Intelligent Toilet.

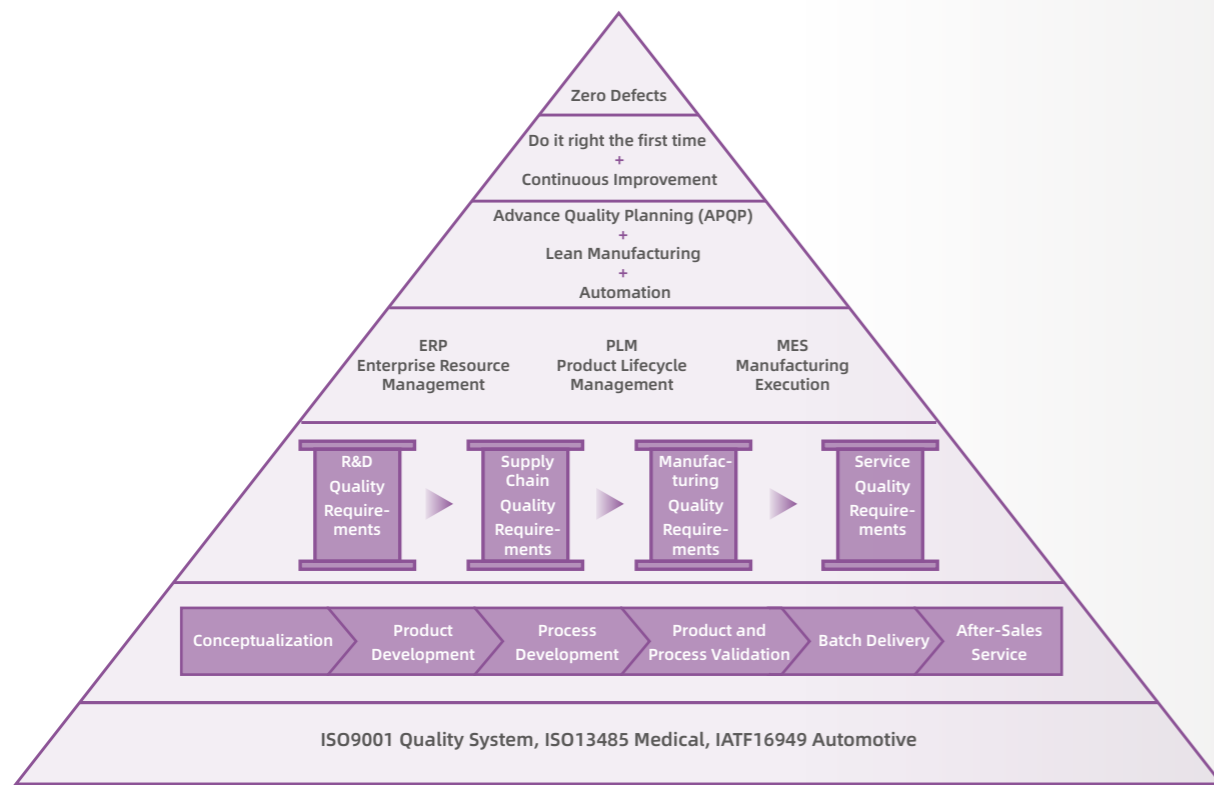


“Zero Defect Ideology + Informationization” Quality Management Model

Megmeet has been committed to the pursuit of quality excellence for many years. Admst intense market competition, we maintain close cooperation with our customers. We have established a complete organizational structure and a highly professional team with the support of the senior management, which lays a solid foundation for the implementation of the “Zero Defect Ideology”. Through years of experience and practical exploration, we have created a quality management model of “Zero Defect Ideology + Informationization”, which strengthens the use of informationization to improve customer satisfaction and enhance market competitiveness.

The zero-defect management system is anchored on the principles of “one center, two basic points, three needs, and four principles”. Among them, “one center” refers to zero-defect management, i.e., the requirement to do things right at the first time so as to reduce costs, improve efficiency, and increase economic benefits. The “two basic points” include practicality and reliability, and the pursuit of both practical and reliable results. The “three needs” cover the needs of customers, employees and suppliers, forming a unified value chain. The “four basic principles” include conformity, prevention, Zero Defects as a guideline, and measurement of quality performance at the cost of quality. The Company’s quality management concept combines zero-defect ideology with information technology, and implements the theory of zero-defect ideology based on the existing process activities of the enterprise.

Leveraging years of experience in quality management, the Company has developed a comprehensive quality management concept map known as the “Zero Defect Quality House.” This tool serves as a pivotal framework for us to uphold the zero defect ideology and adhere to quality management principles. It encompasses all facets of quality management, overseeing the entire process from conceptualization and development to post-sales service.



The Company’s quality management structure is based on the guiding principle of realizing the goal of “doing it right the first time”, and continuously raising the goal and making continuous improvements to gradually reach the ultimate goal of “zero defects”. Based on international quality management standards, the Company is committed to establishing a life-cycle quality management system to ensure that every stage of product design, development, inspection, delivery and after-sales service meets high quality standards. Meanwhile, the Company has set up strict quality specification requirements in the R&D and manufacturing process to standardize the quality management in the production process. The Company focuses on supplier quality management to ensure that every link in the supply chain meets quality standards. In terms of service, the Company is committed to providing high-quality after-sales service to ensure customer satisfaction and brand reputation.

In order to support the implementation of the quality management system, the Company has made every effort to build an informationization platform. The components of this platform are based on the PLM (Product Lifecycle Management) system platform for R&D product data and project management, the ERP (Enterprise Resource Planning) system platform for enterprise resource and finished product management, and the MES (Manufacturing Execution System) system platform for production and manufacturing process, warehousing and logistics management. The synergistic uses of the three systems helps the Company better realize the quality management concept of “Zero Defect Ideology+Informationization”.

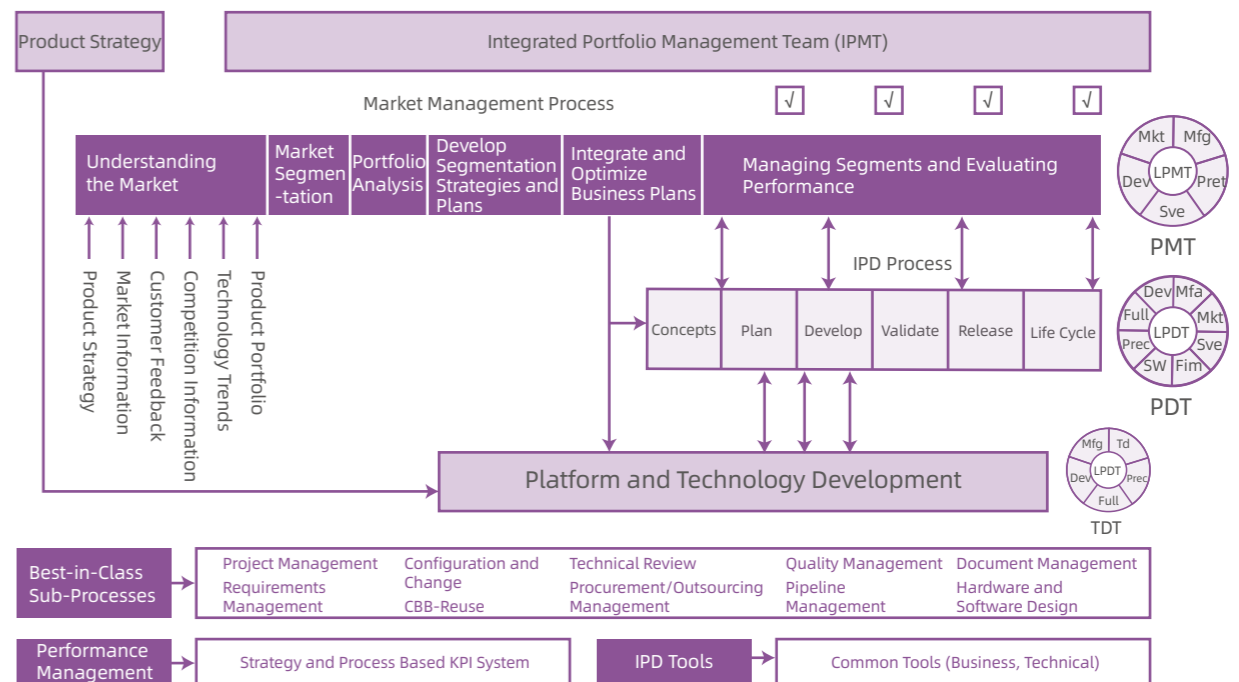


In addition, the Company has optimized its quality control methods and production model based on a selection from a wide range of sources. The Company has adopted the APQP (Advanced Product Quality Planning) methodology, which is based on the automotive industry’s quality manual, to realize lean production with uninterrupted operations and the pursuit of an automated production model.

Application of “Zero Defect Ideology + Informationization” in the R&D

Adhering to the concept that addressing quality issues early in the R&D phase significantly cuts down on problem-solving costs, Megmeet applies the zero-defect quality management principle of “getting it right the first time” to the R&D stage. The Company firmly believes that achieving zero defects during the initial R&D phase can substantially lower the expenses associated with addressing issues later on, leading to enhanced product quality and increased customer satisfaction.

To achieve this objective, the Company implemented a PLM (Product Lifecycle Management) system platform that facilitates an Integrated Product Development (IPD) process. IPD is guided by a framework amalgamating industry best practices, focusing on process and product re-engineering to expedite time-to-market, enhance product margins, and streamline product development. This approach delivers added value to customers and shareholders. Through IPD, the Company ensures quality management from the outset of product development, aiming for zero defects in design and development. Simultaneously, IPD enhances product profitability and accelerates the product development cycle, aligning with the goal of sustainable development and creating a win-win scenario.



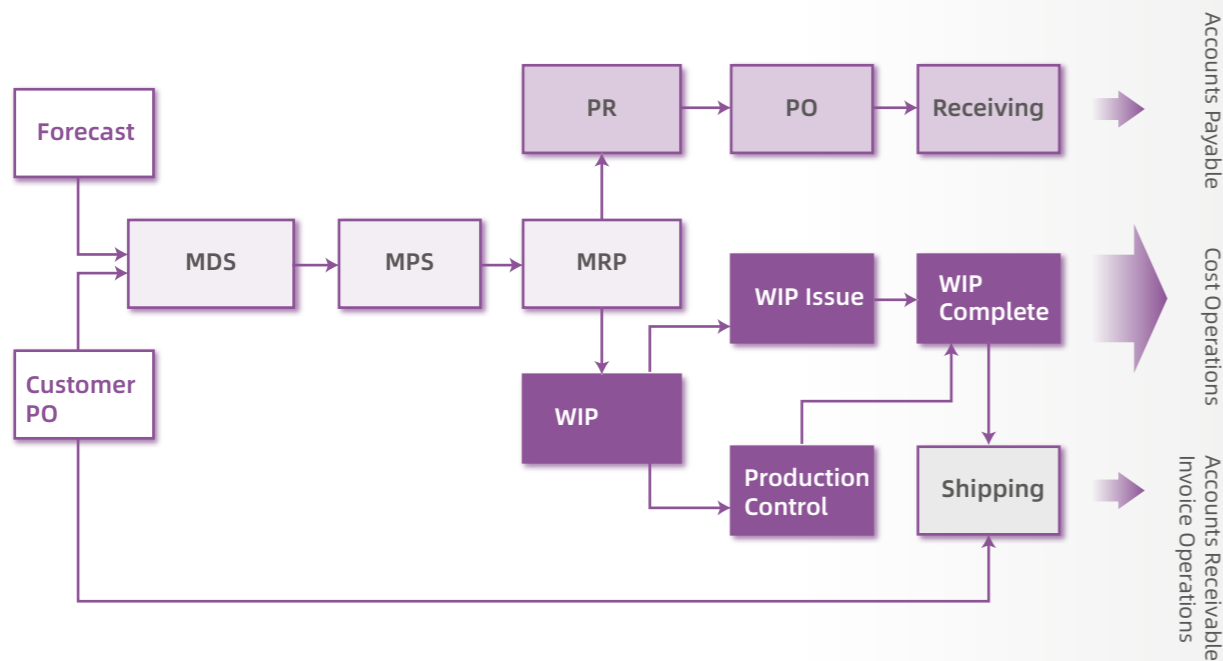


### Application of "Zero Defect Ideology + Informationization" in Production Planning

We recognize the significant impact of component quality and delivery reliability from suppliers on the final product quality. Therefore, we subject all raw material suppliers to rigorous quality audits to verify their qualifications and capabilities. Moreover, we mandate that all materials supplied undergo confirmation and verification by our material engineers to ensure compliance with our quality standards. These stringent measures enable us to effectively manage our supply chain, maintain product quality and delivery consistency, and offer our customers superior products and services.

During the product design stage, R&D engineers will select suitable components from a pool of qualified raw material resources and conduct product design and debugging according to the product design requirements to ensure that the product is in the best condition. All raw materials that make up the product will be recorded in the BOM (Bill of Materials), which contains qualified materials from qualified suppliers, realizing the Company's pursuit of "zero-defect" management ideas.

In order to manage the supply chain system more scientifically and efficiently, the Company has introduced an ERP (Enterprise Resource Planning) system platform, which is currently an Oracle ERP system covering modules in manufacturing, logistics and finance, etc. This helps the Company to manage the supply chain more efficiently, ensure the quality of the raw materials and the timeliness of the supply, and improve the quality of the products.



## Product Safety and Testing Management

### Product Safety and Reliability Management

Product safety and reliability are the main characteristics of quality, and the core of quality is to ensure high reliability. The Company focuses on risk management and data management of product reliability in the entire process of technical elements, product development and mass production, in order to ensure the safety and reliability of products in the entire life cycle, and provide customers with more reliable products and services.

### Product Safety and Reliability Management Actions in 2023

► **Risk Prevention and Control:** The Company carries out risk control on the introduction of all new technologies, new product platforms, new parts and new types of products, identifies the safety and reliability risks of the introduction of new technologies, and develops solutions;

► **Tool Optimization:** The Company develops and optimizes safety and reliability related testing methods for the whole life cycle of products, identifies key problem points, supports the effective detection of characteristic indexes at the incoming material and process stages, and promotes the quantitative identification of reliability risks;

► **Digitalization:** The Company set up an automation department, using automation equipment to support the platform for manufacturing and development, to ensure that the impact of inconsistency on product quality is reduced in the production process;

► **Team Building:**

The Company set up a testing center to establish testing laboratories for the whole life cycle of products, such as EMC, reliability, life, safety and failure analysis, so as to comprehensively improve the safety and reliability of products;

The Company's product testing team comprises 108 members, including 9 graduate-level experts and 99 undergraduates. The testing center is structured into specialized departments, namely the hardware testing department with 95 personnel, software testing department with 18 personnel, safety engineering department with 14 personnel, and reliability engineering department with 9 personnel.



### Manual Assembly Table-Screw Locking Process

The Company uses the manual assembly table to strictly control the five key work processes of screw locking, realizing on-line semi-automatic manual screw locking operation and at the same time, it has the following anti-dumbness and error prevention functions;

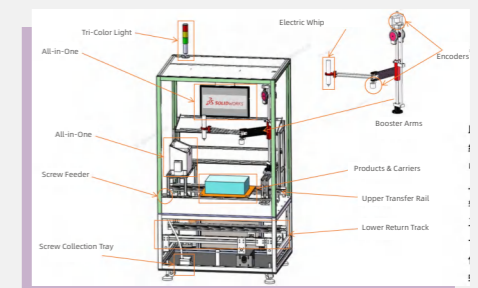
► **Locking Position and Order Control:** It solves the problem of manual screw locking due to the established position and order of locking and locking bad;

► **Locking Quantity Control:** It can set the locking quantity to prevent locking defects caused by under locking and over locking screws;

► **Screw Feeding Control:** It can set the number of screws to be fed automatically to prevent screws from being lost inside the product casing and affecting product performance;

► **NG Screws Control Function:** With locking NG (torque value or angle value failed, etc.) in the locking process, the system will automatically provide new screws for feeding, effectively preventing the outflow of locking NG products;

► **Locking Data MES Control:** It can automatically upload the locking angle and torque to the MES system to effectively trace the product locking data.

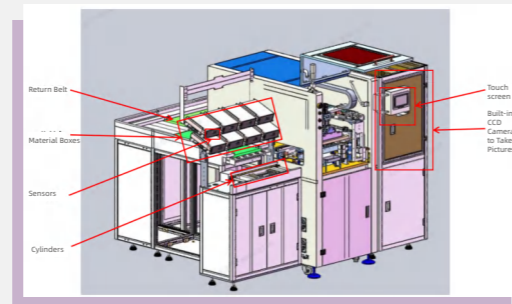




### Print Reflow Module - Component Surface Printing Thermal Grease Work Process

The Company uses the printing reflow module for material control, realizing the order and quantity of material put into the anti-dumbness, and can return the printing carrier to save manpower handling.

- ▶ **Sequence Control:** The Company sets the order of opening the material box to realize the error-proofing of the order of picking up materials by the personnel and prevent the chance of wrong materials;
- ▶ **Material Control:** The Company separately placed different types of materials to prevent diodes and MOS tubes and other similar materials mixed, which is difficult to distinguish;
- ▶ **Quality Control:** The Company uses CCD camera to take pictures to detect the degree of silicone coverage to avoid leakage of brushing or lack of silicone in the printing machine caused by uneven coverage, shallow coverage, not printed and so on.



### Product Inspection and Nonconforming Product Management

The Company carries out strict control in material and product inspection, and uses preventive inspection to deal with possible product quality problems in each link to ensure product quality. In response to new or possible quality problems, the Company gives priority the preventive testing by adopting solutions such as error-proofing and anti-defective, equipment automation, etc., in order to improve product quality and production efficiency.

In order to ensure that the quality of products meets the standards, the Company has formulated a series of strict management methods, including Nonconforming Product Control Procedures, Corrective and Preventive Control Procedures, Marking and Traceability Control Procedures, Control Procedures for Monitoring and Measuring Devices, Incoming Inspection Code of Practice, Process Inspection Code of Practice, Finished Product Inspection Code of Practice, as well as the Measures for the Administration of Product Type Experimentation. These management methods stipulate specific inspection standards, processes and responsibilities to ensure effective quality control and inspection in each production process, and timely management and disposal of non-conforming products.

#### Material and Product Inspection Key Links

##### Material Acceptance for Inspection

The Company strictly checks the quality of incoming materials and standardizes the inspection process of incoming materials to ensure that the materials used in production meet the requirements. First of all, IQC (Incoming Material Inspection) will check the materials and corresponding documents after receiving the notification of material delivery. Afterwards, the inspector operates the testing instruments according to the standards and records the results in the incoming material inspection report in the MES (Manufacturing Execution System). We require our inspectors to provide inspection results within two working days under normal circumstances and within two hours in case of emergency. We emphasize the quality of each batch of materials and ensure that the required procedures are strictly followed in each inspection to ensure the quality and reliability of our products.

##### Material Inspection and Sampling

The Company clarifies the authority and responsibility of line inspection and standardizes the related operation procedures, which helps the Company to grasp the abnormal situation of the process in a timely manner, find out the defects or potential shortcomings at an early stage and feedback the countermeasures to the related departments, actively participate in the improvement and tracking, and prevent the product quality problems from occurring again. As an important part of the Company's quality control, the inspection department takes one whole machine for the first inspection to ensure that the physical object is consistent with the SOP (Standard Operating Procedures), BOM (Bill of Materials), ECN (Engineering Change Notification), and aesthetic requirements, and to ensure that the type and specification of the parts, the installation method, and the color of the device are in full compliance with the requirements, and at the same time to ensure that the product's functionality and appearance are in line with the product inspection specifications. The Company has formulated the best time for the first piece inspection, including before continuous mass production of parts and products, after the replacement or repair of equipment and mold damage and optimization and improvement, the first production of engineering change products, the restart of production when switching to other products halfway after mass production, and the replacement of product models.

In the inspection of the whole machine assembly, aging and packaging process, we strictly follow the requirements of the whole machine QCP (Quality Control Plan) engineering table and SOP. For each station, we check and inspect one by one, and record the inspection results in the IPQC Inspection Record of the MES system for timely tracking and analysis. Once we find that the abnormality exceeds the standard or reaches the condition of stopping the line, we will immediately notify the relevant personnel to deal with it and ensure that the problem is solved in time. For problems that cannot be solved, we require timely feedback to the IPQC (Process Control) team leader for further action. We enforce strict standards in dealing with abnormal quality stoppages to ensure that the quality and stability of the production line is effectively maintained.

##### Finished Product Inspection

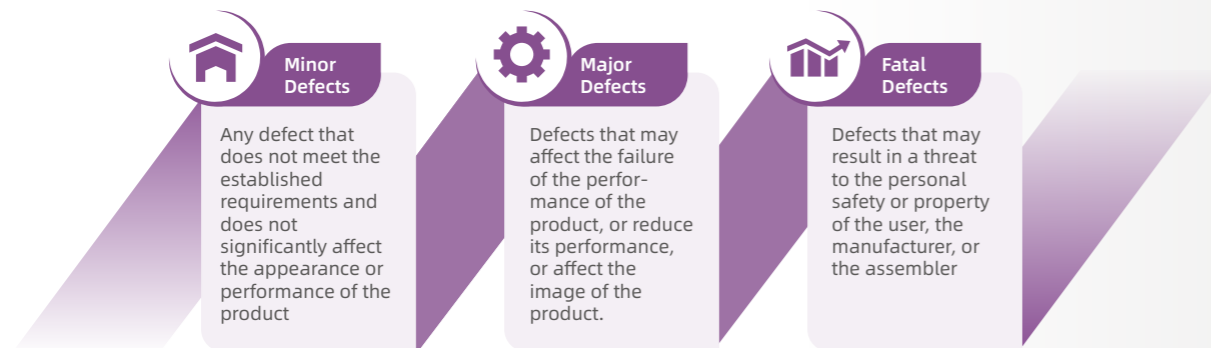
Before and after the products are put into storage, we implement sampling inspection to ensure the quality of the products shipped. First of all, according to the sampling plan of OQC (Outgoing Quality Control), the manufacturing center submits the qualified products of each batch of production line to the warehousing process and sends them to the FQC (Final Quality Control) in a timely manner. The inspector arrives at the product placement area for on-site confirmation to ensure that the product model and quantity match the production submission process. After that, we conduct random sampling of each batch of products and mark the sampled batch of products for inspection, the FQC inspector is responsible for unpacking and inspecting the sampled products in terms of appearance of the outer box, marking of the outer box, packaging accessories and packing method. After passing the inspection, the unpacked machine will be placed in the OQC inspection area. After that, the inspector will move the whole machine to the inspection table for inspection, according to the finished product inspection specification, artwork documents and customer sealed samples for inspection. At the same time, we also check the palletizing, marking and protection of the products to ensure that they meet the requirements.

After the products are put into storage, we continue to carry out random inspections. For finished product shipment, we require checking whether the loading and unloading methods meet the requirements, and verify whether the models, quantities and specifications of the shipped products are consistent with the requirements of the sales invoice, as well as check whether the protection of the shipped products meets the requirements.

#### Closed-loop Management of Nonconforming Products

The Company has formulated the Nonconforming Product Control Procedures to standardize the nonconforming product management procedures through two dimensions: business process and on-site process, to form a closed-loop operation of identification, marking, segregation, evaluation, disposal and improvement, and to clarify the responsible departments for each process, so as to strictly control the quality.

The Company categorizes grades for the degree of defects of nonconforming products:



### Disposal of Nonconforming Products

We insist on the rework and repair of finished products that are judged to be unqualified in the final inspection, and follow the special procurement process to deal with them. In case of online finished products, warehouse finished products or production workshop parts that are judged to be unqualified in bulk and need to be reworked, CQE is responsible for organizing and issuing the rework process and assisting the production department to formulate the rework plan, which will then be handed over to the production department to perform the rework task.

- For online finished products, warehouse finished products or production workshop parts that are judged to be unqualified and need to be reworked in bulk, the PQE is responsible for organizing the IE to issue a rework process and assist the production department to develop a rework plan, which is then handed over to the production department to perform the rework task;
- For materials or parts outside the production plant that are judged unqualified in batches, in principle, the Company stipulates that online rework is not allowed. However, if these materials are urgently needed for production, PQE will contact with the parts business department, injection molding department or machine SQE to jointly develop a rework plan and organize the relevant personnel to carry out online rework. As for non-urgent materials, PQE will directly decide to return them for processing;
- When self-inspection, mutual inspection, special inspection found sporadic unqualified and IPQC confirmed the need for rework or repair, rework products will be reworked by the production team. The PQE is responsible for rework products, records the rework information in the MES system, and makes corresponding "rework records". All reworked/repared finished products and parts need to be inspected by special inspection, and recorded into the MES system for full inspection information and QC bad record of reworked work orders. If they are judged to be unqualified by OQC sampling, they need to be re-reported for inspection, and only after OQC re-inspection are they qualified for warehousing.



## Company Quality Culture

The Company advocates the management policy of "researching technology, casting quality, caring for the environment, green energy saving, caring for health, integrating development, full participation, continuous improvement, safety and reliability, and honest service", and puts the priority of technology and quality first in an important position. In order to implement this management policy, Megmeet has set up a quality committee and an independent quality management department, dedicated to guaranteeing the quality of products and services. At present, the Company has more than 400 quality staff members, of which more than 70% have many years of experience in quality or related industries, and some of them have worked in large domestic and foreign enterprises, with rich practical experience and professional knowledge, which provides solid support and guarantee for the Company's quality management.

The Company actively promotes the quality culture for all staff, and has formulated quality assessment standards for rating staff and standardizing training and assessment standards. In addition, we have conducted quality and safety training covering changes in production standards and management methods, past production accidents, customer product complaints and typical cases. At the same time, we have also carried out special skills training for quality engineers, covering the operation skills of the five major tools related to quality. The Company enhances the quality management awareness of all staff by continuously improving their professional skill level. During the reporting period, the Company conducted a total of 741 trainings, with a cumulative total of 40,649 training hours.



### Employee Quality Training Case

The Company conducted four quality management training courses for the middle management cadres, with a total of 200 employees attending. The training covers the construction of the Company's quality management system, the implementation of IPD process, the relationship between quality cost and cost, the sharing of quality incident cases and quality improvement-DMAIC method. The Company aims to help middle management cadres understand the Company's quality management system, learn the correct implementation of the IPD process and quality improvement methods, in order to improve the quality of products, reduce costs, increase efficiency, and work together to create high-quality products.



## Customer Relationship Management

### Customer Service

The Company adheres to the service concepts of customer-centeredness, focusing on core technology, continuous innovation and craftsmanship, the pursuit of doing the right thing at one time+continuous improvement, and the pursuit of delivering zero-defect and competitive products to the customers on time, and continues to strengthen the pre-sale, in-sale, and after-sale customer services to build a high-quality customer service system. The Company has formulated the Customer Service Center Performance Assessment and Incentive System, and further updated the After-sales Service Control Procedures during the reporting period to improve the internal management of customer service and enhance the efficiency of response to customer needs.

The Company has implemented a digital and intelligent customer management model, focused on long-term customer demand, established a customer demand management system, promoted the integrated data reporting of sales, marketing and customer service departments, and pulled through the data information of various departments to realize the traceability of the data source, in order to optimize the Company's internal production capacity deployment and better meet customer demand.

## Customer Complaint Management

The Company establishes Customer Complaint Handling Norms to actively safeguard the rights and interests of customers. We build diversified customer communication channels through various channels such as the official website, complaint hotline, e-mail and face-to-face interviews.

The Company emphasizes timely response to customer complaints and sets response time requirements, requiring initial response and confirmation of basic solution measures within 24 hours, specific handling measures within 3 days, and final solution within 5 days. At the same time, we attach great importance to the special requirements of our customers, and when dealing with customer complaints, we always give priority to the special needs of our customers to ensure personalized care and respect for our customers.

The Company has established a Customer Complaint Improvement Team, whose members are established by the Company's complaint handlers according to the characteristics of the complaints. The team members include personnel from direct and indirectly cooperating units to ensure comprehensive handling and improvement of customer complaints. In the case of major customer complaints, we have set up a Leader of the Improvement Team (LEAD) to ensure that there is a professional leader to organize, coordinate and promote problem solving and improvement work at critical moments. In addition, the Company also carries out timely analysis of the true cause of customer complaints, synthesizes the information provided by the customer, and uses a variety of testing equipment and analytical techniques to analyze and verify the defective phenomena and determine the root cause of product quality problems.

The Company has standardized the process of proposing improvement measures, requiring feasibility and operability assessment before proposing, and considering the impact on other functions or appearance. At the same time, the Company provides open improvement information and explanations to customers by attaching before and after countermeasure comparison charts, data, and theoretical analysis data to enhance customers' confidence in and support of our improvement efforts.

The Company categorizes the customer complaints into three levels in order to manage and resolve complaints more effectively, further improve customer experience and maintain customer relationships.



### General

Problems that have a small impact on the client, such as sporadic product failures and minor appearance defects.



### Serious

Problems that cause strong customer dissatisfaction, such as electrical performance exceeding the target value required by the customer or batch appearance, labeling and other defects.



### Major

Problems that cause strong dissatisfaction of the customer, such as the product batch of poor electrical performance or environmental protection failures, requiring rework, recall, claims and other ways to deal with the problem.

The Company standardizes the duties of each department to ensure that complaints are handled and resolved effectively:



## Customer Complaint Handling Process

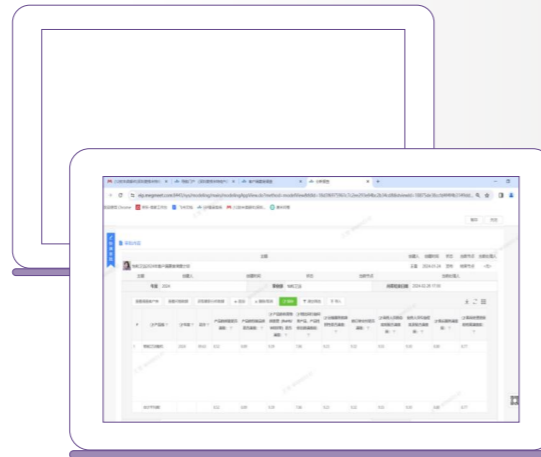
The Company attaches great importance to the customer complaint handling process to ensure customer satisfaction and continuous improvement of product quality. In terms of collecting information on customer complaints, the engineers of the Company's Customer Quality Department immediately launch an exhaustive investigation when they receive customer complaints or feedback from various departments within the Company. The investigation covers customer material number, product model, shipment date, batch size, defective quantity, defective phenomenon and other specific content, and these information are clearly registered into the Company's Customer Complaints Statistics, to help the responsible departments to fully understand the complaint situation.

In the handling of customer complaints, we strictly follow the level of customer complaints to carry out targeted processing. For general complaints, we will quickly feedback the problem to the responsible department, and closely follow up the progress of processing, to ensure timely feedback to customers on the results of processing, and the closure of the problem in a timely manner to the customer, to maintain good customer relations. For serious customer complaints, we inform the quality director and the relevant management of the Company in a timely manner, and organize the relevant departments to analyze the causes, develop appropriate treatment countermeasures and corrective and preventive reports, so as to provide timely feedback to customers and problem handling. When it comes to online or in-stock defective products, we carry out quality locking and organize rework to ensure that the problem is solved in time. For major customer complaints, we will fill in the Corrective and Preventive Report to the responsible department after the customer's problem has been dealt with, and follow up on the corrective and preventive measures to ensure that the problem is completely solved.

## Customer Satisfaction Survey

Our Company always adheres to customer-oriented and constantly improves customer satisfaction. We have established the EIP platform (Enterprise Information Platform) in accordance with the national standards GB/T 19038-2009 Guide to Customer Satisfaction Measurement Models and Methods, GB/T 19039-2009 General Principles of Customer Satisfaction Measurement, and a series of standards such as ISO10001/2/3/4, and we continue to improve our internal satisfaction survey platform. The survey covers ten aspects, including product quality, product packaging, product cost performance, transportation service, order delivery and after-sales satisfaction, etc. The EIP platform will synchronize customer feedback information to the cloud, and the Company's system manager can view customer feedback on mobile terminals and respond to customers in a timely manner. The Company strengthens communication and feedback with customers through the EIP platform and continuously improves the quality of its products and services.

During the reporting period, the Company conducted satisfaction surveys on nearly 469 customers, of which the percentage of those holding satisfactory responses was 87.52%.



## Online Brand Promotion

We have established and operated 3 websites to provide customers with a convenient platform for information acquisition and communication. Through the operation of new media platforms, we have successfully attracted a large amount of attention, with more than 150,000 tweets exposed and more than 140,000 short videos played. At the same time, our presence in overseas social media and active and effective operation has enabled us to expand our brand influence, with a 166% increase in the number of followers. In addition, we have developed our own small program to provide customers with a more convenient product browsing and purchasing experience.

## Offline Branding

In 2023, we actively participated in 27 exhibitions to showcase our products and services and to communicate and interact with customers face-to-face. Meanwhile, we set up 1 corporate showroom to provide customers with opportunities to understand and experience our products on the ground. In addition, we actively participated in industry forums to communicate and cooperate with professionals in the industry to continuously expand our business and influence.



## Responsible Marketing

Megmeet insists on responsible sales and marketing, providing accurate and comprehensive information in market development, customer sales and product labeling management. The Company carries the awareness of compliance throughout the whole process of business development and contract management, and regulates the compliance of the marketing department, sales team and product team in the business process.

The Company is actively engaged in brand building and has set up a brand specification system to meet market demand. In 2023, we demonstrated the strength of our brand through a variety of marketing tools. We completed 25 Company product brochures, more than 20 PowerPoint presentations on our products and Company branding, and organized more than 23 offline events, among others. For video campaigns, we produced 11 corporate videos, 3 product introduction animations, and over 28 short company videos. In addition, we have filmed more than 200 product videos to comprehensively showcase our product lines and brand image.



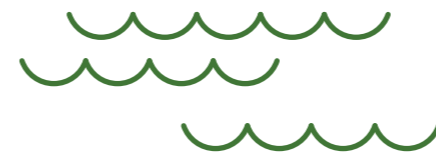
# Toward Environmental Development, Being Environmental Pioneers

04



Megmeet Changsha Global R&D Center - Zero Carbon In Progress! — 57

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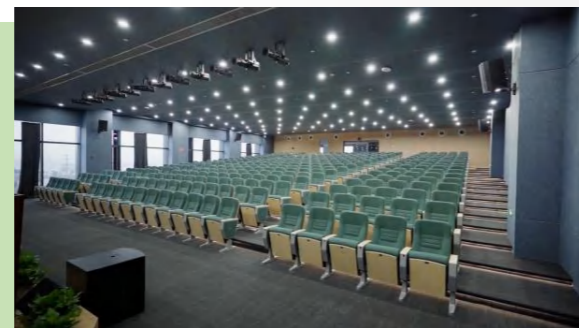
# Thematic Case

## Megmeet Changsha Global R&D Center - Zero Carbon In Progress!

Megmeet Changsha Global R&D Center has been planned and deployed for construction since 2016, and officially started construction in 2021. After two years of schematic design and engineering construction, it will finally be completed and put into use at the end of 2023. With a total floor area of 75,000 square meters, it has the most comprehensive and complete test equipment in the global power electronics field and can accommodate more than 2,000 R&D engineers. When fully operational, it will have a total investment of nearly 600 million RMB. This huge investment scale, as well as its equipped with cutting-edge R&D facilities, indicate that the center will become one of the world's leading R&D centers in the industry, leading the industry and demonstrating outstanding strength.

Megmeet Changsha Global R&D Center is equipped with the most comprehensive and complete test facilities in the power electronics field in the world, including 8 laboratories in different fields such as safety certification, EMC, reliability, failure analysis, etc., as well as 14 comprehensive power electronics laboratories, and two 3m wave darkrooms and one 10m wave darkroom. Thanks to the perfect layout of the laboratories and the advanced configuration of cutting-edge equipment, the Changsha Global R&D Center of Maimi Electric has successfully ranked among the world's forefront in the field of software development and testing of power electronic components and systems, demonstrating its unparalleled leading strength.

In addition to excellence in technology development, Megmeet Changsha Global R&D Center attaches great importance to the practice of sustainable development and environmental protection concepts. We have set up several zero-carbon demonstration sites in-house, equipped with photovoltaic, energy storage, waste degradation and other equipment to achieve effective energy utilization and carbon emission reduction. Through these initiatives, the Changsha Global R&D Center actively implements the concept of sustainable development in practice and helps to promote the realization of the global zero-carbon goal.



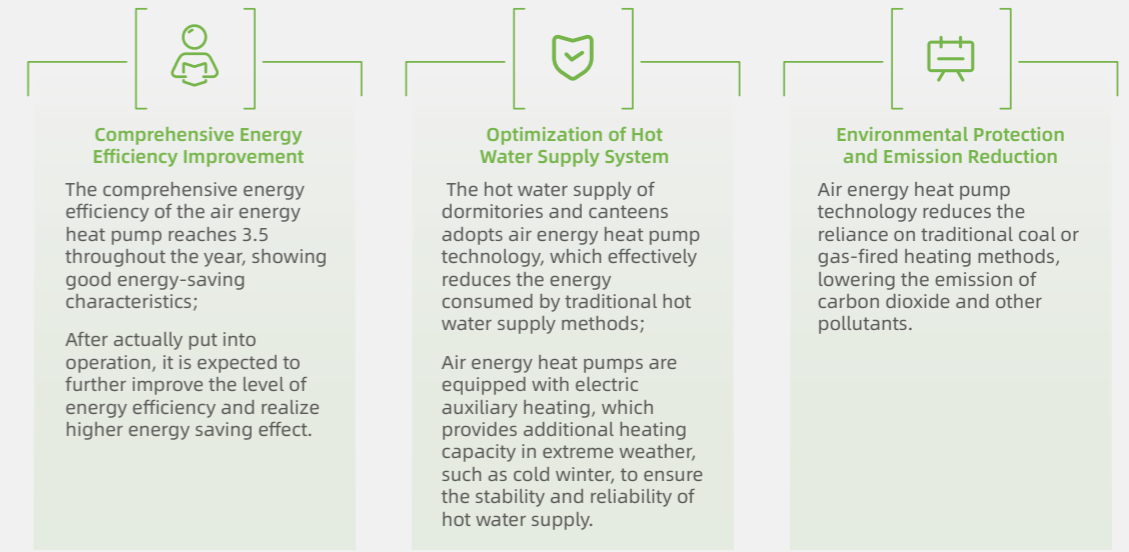
### Building Energy Efficiency

As energy consumption continues to rise, environmental issues are becoming more and more prominent, and all industries are faced with huge sustainable development challenges. Against this backdrop, Megmeet is well aware of the importance of building energy efficiency in promoting green transformation. Therefore, the Company is actively engaged in the exploration and practice of building energy efficiency, and is committed to researching, developing and applying a variety of advanced building energy efficiency technologies, contributing wisdom and strength to the green development of the industry.



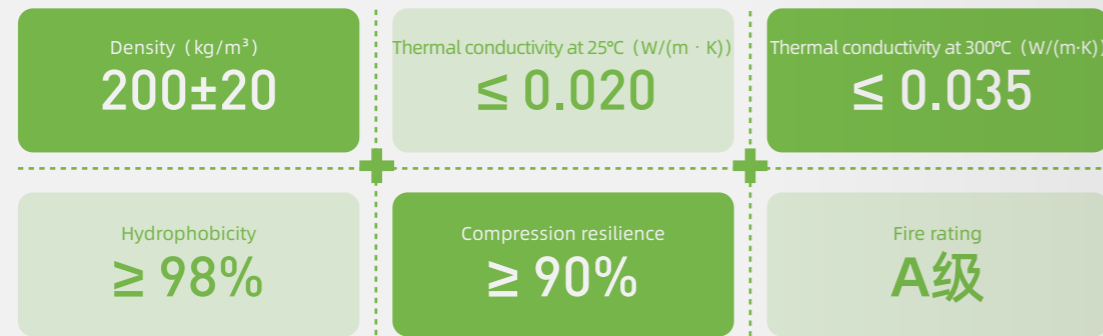
#### Air Energy Heat Pump Technology

By introducing the air energy heat pump system, Megmeet Changsha Global R&D Center converts the low-level heat energy in the air that cannot be directly utilized into high-level heat energy, realizing the regenerative use of energy and minimizing the waste of energy. The advantages of air energy heat pump technology include the following features:



### ☆ Aerogel Insulation

Megmeet's Changsha Global R&D Center uses aerogel, an energy efficient material. The thermal conductivity of aerogel is extremely low, which improves the thermal insulation effect by 2 to 3 times than traditional materials, effectively reduces the temperature conduction between inside and outside of the building, lowers the energy consumption, and improves energy-saving effect. Aerogel has excellent fireproof performance, long service life, not easy to settle or decompose, and maintains a stable insulation effect. At the same time, it has good hydrophobicity, will not disintegrate and settle due to rainwater soaking, and will not cause corrosion of pipelines and other equipments, which is suitable for coping with Changsha's climatic conditions to meet the requirements of heat prevention in summer, and take into account the heat preservation in winter as well as appropriately.



### ☆ Photovoltaic Storage and Charging ( "PV + Storage + Charging" ) Integration Project

Megmeet's Changsha Global R&D Center has successfully implemented an integrated PV storage and charging project, integrating photovoltaic (PV) power generation, energy storage and charging facilities to provide a sustainable energy solution for the campus. Through a solar cell system, we have realized photovoltaic power generation to supply the park with renewable and clean energy. At the same time, the stored electricity ensures that power can still be supplied when there is insufficient light. In addition, we utilize clean energy to power chargers and car washes, reducing our reliance on traditional fuels and minimizing environmental pollution and greenhouse gas emissions at the source.



### Building Noise Reduction

In order to provide a better and quieter working environment, the Megmeet Changsha Global R&D Center of has selected the sound insulation materials of dense amine resin for the meeting rooms and laboratories in the park, which will have an average noise reduction value of 6-10R(db), effectively shielding the external noise and ensuring the quietness of the indoor environment, thus guaranteeing the working efficiency and comfort of the staff.

#### Design Values for Noise Reduction Effect of Soundproofing Materials

200Hz Noise Test (unit: R(db))	1000Hz Noise Test (Unit: R(db))	3000Hz Noise Test (Unit: R(db))
91.08 Background	62.24 Background	86.25 Background
83.61 Acoustic Wool 1 Layer	56.33 Acoustic Wool 1 Layer	76.56 Acoustic Wool 1 Layer



### Waste Reuse

Megmeet Changsha Global R&D Center adopts highly efficient composite microbial degradation technology, combined with gas purification module, to successfully convert canteen food residues into organic materials for fertilizer production, realizing degradation treatment and waste reuse, and making positive contributions to environmental protection and resource recycling.

The technology is centered on highly efficient composite microbial degradation. Through aerobic fermentation, organic waste is degraded into powdered organic materials, effectively reducing the volume of waste. In effectively reducing the volume of landfill, it promotes the reuse of organic waste resources and reduces the dependence on natural resources. At the same time, with the gas purification module, the whole treatment process realizes zero emission, no drainage, no exhaust gas, comprehensively protects the cleanliness and health of the air, soil and water quality, and successfully achieves the "Three Zeros" standard of zero air pollution, zero soil pollution, and zero water pollution.



As a key node in the Company's global R&D layout, the Changsha Global R&D Center will continue to provide solid support for the Company's technological innovation and future development. Meanwhile, as a model of zero-carbon demonstration park, the R&D Center is committed to the efficient use of energy and the reduction of carbon emissions, demonstrating the excellent practice and outstanding achievements of modern enterprises in promoting sustainable development, and setting a benchmark for the green development of the industry.



# Environmental Management

The Company complies with environmental and occupational health and safety laws and regulations and other requirements related to enterprise production, operation and management activities. The Company raises the awareness of environmental protection and production safety of all staff through education and training. At the same time, the Company actively implements green facilities, green energy use, green operation, and green design, continuously takes various preventive measures, strengthens risk prevention and control, prevents environmental pollution to create a safe, civilized, and harmonious environment conducive to production, daily life, and work environment. We have formulated an environmental management manual, and have clarified our environmental management policy, target management approach, and energy and resource management approach.

## Environment and Occupational Health and Safety Policy

In order to realize a clean and healthy life for all human beings, we have been continuously improving and preventing pollution, and have been pursuing safe production and harmonious development.

## Energy Management Policy

Green and low carbon, energy saving and efficiency

The Company has set up an environmental management structure and clarified the responsibilities of each level. The Safety Committee is a safety supervision and management decision-making body under the leadership of the general manager, responsible for the overall supervision and management of the safety and environmental protection work of all departments, organizing the implementation of national laws, regulations and policies on safety and environmental protection, and researching and deciding on the major issues of the Company's safety production, environmental protection, and occupational health and safety work. The Company has set up an independent secondary department of safety and environmental protection, responsible for the Company's environmental management, as well as the organization and implementation of the environmental management system.

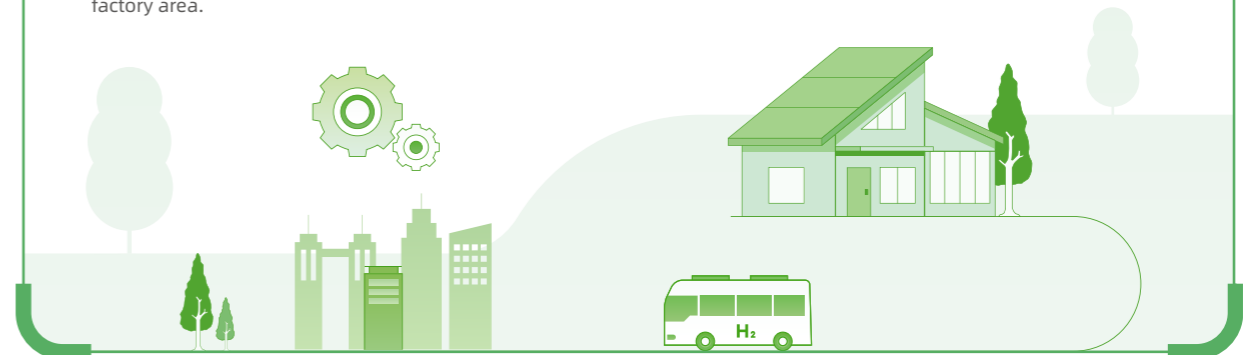
In order to ensure that when an environmental pollution incident occurs, we can make a prompt and appropriate response, take emergency measures to mitigate the impact, and maximize the prevention and reduction of possible accompanying harmful environmental impacts, personal injuries and/or health damages, the Company has formulated the Emergency Preparedness and Response Management Measures.

We lead the industry in continuous innovation, and consider the requirements of resource and energy conservation and environmental protection in the whole life cycle of our products from the source of design to the details of product use and end-of-life. We realize green and low-carbon operation through the implementation of clean production. We continuously reduce energy consumption through lean production. Through continuous investment in research and development, we realize the transformation from function to performance, bring consumers the ultimate experience and enjoyment of a better life, and make unremitting efforts to realize high-quality development and clean and healthy life for all human beings.

We focus on resource conservation, advocate the use of clean energy, environmentally friendly materials, the introduction of environmental attributes of the product from the source, the production process materials transit using recyclable multiple use of calcium plastic cartons, laser engraved products using lean shelf transit, greatly reducing the use of traditional cartons. Warehousing adopts multi-layer three-dimensional shelves, which greatly reduces the use of land resources. We pursue a green and low-carbon production model and minimize energy consumption in the production process. We improve the production process, optimize the energy structure, reduce energy consumption, and enhance energy efficiency, making the green development concept as a corporate culture, to promote the development.

The Company has taken a series of energy-saving measures to reduce energy consumption. Under the premise of ensuring safety and quality, the Company has carried out a series of energy-saving reforms through the introduction of photovoltaic, the introduction of inverters into water treatment equipment, and wastewater reuse renovation by means of strengthening management, process improvement, and energy saving of equipment. In addition, the Company has established a systematic energy management approach and supervision mechanism. The Company analyzes the feasibility study to set annual quota targets for each production department, and adopts the assessment mechanism to urge green production and eliminate the waste of resources. At the same time, the Company upgraded and remodeled some equipments with high energy consumption and high waste to realize the development of low-carbon economy. In addition to the energy-saving transformation of equipment, we also carry out regular training, drills and other ways to improve staff awareness of energy saving and emission reduction.

The Company focuses on the utilization of new and renewable energy sources. The Company has installed distributed photovoltaic power stations on the roofs of the buildings and inverter energy-saving street lights on the roads in the factory area.



## Inverter Energy Saving Street Lights: Green Lighting Innovations from Yihe Sanitary Ware

With the concept of "Green Life, Wisdom and Aesthetics", Yihe Sanitary Ware, a wholly-owned subsidiary of Megmeet, is committed to technological innovation and green development. In terms of lighting, it pays special attention to energy consumption and realizes the goals of energy saving, emission reduction and low-carbon environmental protection by installing inverter energy-saving street lamps.

The lighting and control system of the injection molding workshop of Yihe Sanitary Ware has been professionally designed by a national-level registered lighting designer, and adopts advanced photovoltaic street lamps equipped with timed automatic dimming function. These measures not only improve the intelligent level of the lighting system, but also effectively utilize the natural light resources, reduce the dependence on traditional energy sources and energy consumption.



## Responding to Climate Change

Climate change is one of the greatest challenges facing the world today. Already fully aware of its important responsibility in combating climate change, Megmeet has taken action to contribute to the reduction of greenhouse gas emissions and the promotion of sustainable development in the world.

The Company has commissioned an external consultant to carry out a carbon inventory of corporate greenhouse gas emissions in accordance with the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises of Other Industries in the Industrial Sector (for Trial Implementation) issued by the National Development and Reform Commission, and the ISO14064-2019 standard.

An inventory of Scope 1, 2 and 3 GHG emissions has been conducted for Shenzhen Megmeet Electric Co. Ltd, Zhuzhou Megmeet Electric Co. Ltd and sub-sites<sup>1</sup> in accordance with ISO 14064-2019.

Operational Boundaries	Greenhouse gas emissions (CO <sub>2</sub> e)		
	2021	2022	2023
Direct greenhouse gas emissions (Scope I)	789.78	975.13	About 1,200
Indirect greenhouse gas emissions (Scope II)	11,564.93	16,369.03	About 21,280
Value Chain Indirect GHG Emissions (Scope III)	843,972.97	1,234,884.62	About 1,518,900

Megmeet has already developed appropriate carbon reduction targets and action plans in accordance with domestic and international policies, regulations and standards, and in conjunction with the actual situation of the Company, actively responding to the requirements of suppliers. The Company is in the process of formulating scientific carbon targets and emission reduction plans in line with those set by our customers, i.e., a 50% reduction in absolute Scope 1, Scope 2, and Scope 3 GHG emissions by 2030, or the formulation of a Scope 3 emission reduction intensity target endorsed by SBTi. We will submit to SBTi for target validation, when the science-based carbon targets and action plans will be in line with the 1.5°C reduction scenario of the Paris Agreement, and actively do our part to achieve the global carbon reduction target.

<sup>1</sup>The Company's specific addresses include: Zhuzhou Megmeet Electric Co., Ltd. (No. 1728 Taishan Road, Tianyuan District, Zhuzhou City, Hunan Province; Xinma Power Innovation Park, No. 899 Xianyuehuan Road, Majiahe Street, Tianyuan District, Zhuzhou City, Hunan Province), Hunan Blue River Valley Technology Co., Ltd. (No. 1381, Songshan Road Street, Xin Dong Road, Zhuzhou City, Hunan Province, No. 1, No. 2, Plant No. 1, Zhuzhou Base, Megmeet Shenzhen Megmeet Electric Co., Ltd (5A;B;C501-C503;D;E, 5F, Tsinghua Ziguang Science Park, No. 13 Langshan Road, North District, Hi-Tech Zone, Nanshan District, Shenzhen City, China, 34th Floor, Hi-Tech Zone Joint Headquarters Building, No. 63 Xuefu Road, Nanshan District, Shenzhen City, China).

The carbon reduction actions that we have identified and embarked upon so far are as follows:

Operation Boundary	Emission Sources	Emission Reduction Targets	Current Status	Emission Reduction Actions
Scope I	Domestic hot water used by employees is heated by natural gas	In 2023, Q3 100% conversion to air energy water heaters	100% Natural Gas Heating	In October 2022, we started to evaluate the heat recovery of air compressors. 6 air compressors correspond to 6 hot water recovery machines. We start the machine for 20 hours a day and can produce 120 tons of hot water, which can fully meet the hot water demand of dormitory lodgers. We can save about more than 200,000 RMB on natural gas usage every year, and the equipment investment can pay back in 1.5 years. We started to customize the equipment and site construction in December. The project is now in the process of installing equipment, water tanks and piping, and is expected to be completed in June 2023 and put into use.
	Company-owned fuel-efficient automobiles	Replace 80 % of fossil fuel vehicles by 2025	90 % Fuel oil vehicles	For the required Company vehicles, we are purchasing electric vehicles to reduce our carbon emissions.
Scope II	Increased use of renewable electricity	Annual solar photovoltaic power generation 7 million kWh per year by 2025	Annual solar photovoltaic power generation 5.5 million kWh per year	The first phase of the solar PV plant of Zhuzhou plant has a total installed capacity of 1.414 MW and was fully connected to the grid in September 2018 for self-consumption. It will generate a total of 5,528,000 kWh of electricity by FY2022  Zhuzhou Plant Phase II Solar is in the preparatory stage. Overall program: the installed capacity of the solar power plant is 1.7MW, mainly for self-consumption (which can be self-consumed) and the surplus power is fed into the grid. The annual power generation is expected to be about 1.5 million kWh.
	Reduced use of electricity in operations	80 % application coverage by 2025 2.3 million kWh annual savings	60% of application 1.9 million kWh annual savings	The aging part of the Company's production process adopts the feed-back aging system instead of the traditional pure resistance aging system.
		Continuous use	Electricity savings 120,000 kWh per year	The workshop exhaust fan is equipped with a frequency conversion adjustment device to test the pressure inside the duct and automatically adjust the speed of the extractor fan to reduce the non-essential exhaust air, reduce power consumption by 30%, and save more than 120,000 kWh of power consumption per year.
		Electricity savings of 30,000 kWh by 2025	Electricity savings 15,000 kWh	Energy-saving lighting systems are implemented in all facilities to reduce energy consumption.  The street lights in the park should be installed with Beidou latitude and longitude controllers, which automatically calibrate the time and locate the sunrise and sunset of the location, reduce the energy, and control the brightness of a single light by time. The energy saving is 20% compared with ordinary street lights, and the annual electricity saving is 15,000 kWh. The second phase of the park has also begun to use the same lighting system.

Operation Boundary	Emission Sources	Emission Reduction Targets	Current Status	Emission Reduction Actions
Scope III	Carbon reduction activities in other areas	Ongoing implementation 1. Purchase branded inverter air conditioners 2. Purchase paper and printing materials from ISO14001 and EMAS certified companies.	Under implementation	The use of eco-friendly brands in the office is promoted to minimize waste.
	Paper management	Process ITization Rate 90% Printers ID'd 90% of the time	Process ITization rate 80 Printer ID-ization rate 70	the head of each department should strengthen the education of the staff to save paper, control the number of office paper, non-important documents as far as possible to use the Company's IT system, and second-hand paper. 2. Use ID card printing privileges and manage the times of each ID prints and the amount of paper.
	Travel transportation	Ongoing implementation	Under implementation	Locate our R&D sites close to high speed rail locations and encourage employees to use public transportation.
	Travel transportation	Encourage employees to choose to travel by high-speed rail for journeys of up to 800 kilometers, provided they have enough time to do so	No restrictions	Promote travel on high speed trains that use electricity for business trips and reduce travel on airplanes that use fuel.
	Waste utilization	Recycling	Purchase of new	During office and factory renovations, metal and glass frame parts are reused to achieve a 100% recycling rate.
	Employee-Owned Fuel Vehicle Vehicles	Ongoing implementation	Under implementation	A cash reimbursement of RMB 30,000 is available for each personal electric vehicle purchased in mainland China.

The Company continues to monitor changes in customer demand and market requirements for sustainable solutions and assesses the financial impact associated with these trends. For example, in order to minimize the financial losses and potential reputational risks that could result from reduced demand for our products due to the climate change, we have embarked on efforts to improve our quality management system and EHS management system, monitoring product coverage to 100%. In addition, we are leveraging collaboration, and planning and technological innovation to reduce packaging use and increase packaging reuse and recycling rates.

The Company has established a Carbon Reduction Committee in 2022, and has incorporated climate-related risk analysis into its enterprise risk management process, assessing climate-related risks from multiple perspectives, including sources, types, and likelihood. We plan to conduct climate-related scenario analyses within two years, and will enhance the disclosure of climate-related financial information in accordance with the ISSB as soon as possible and adjust our operational strategies.

The process of climate-related risk analysis is described below:

- ▶ Define the relevant risk types and develop a Risk and Opportunity Assessment Form;
- ▶ Define and assess risk scenarios. For each risk type, develop two or more scenarios covering the low to high impact range of the event and then analyze the probability of occurrence of each scenario on an annual basis;
- ▶ Identify affected assets. For each risk scenario, identify the physical, economic, and social assets affected;
- ▶ Assess losses for each asset. For each asset, estimate losses for all types of hazards under all scenarios for all event types;
- ▶ Develop and implement responses to risks and opportunities;
- ▶ Develop risk management plans and monitor and evaluate the effectiveness of the implementation of risk responses.

## Water Resource Management

Megmeet is firmly committed to the concept of water resource management, which is to realize a clean and healthy life for all mankind, to continuously improve the environment and prevent pollution, to pursue safe production and harmonious development, and to actively take measures to reduce the use and waste of water resources, to increase the efficiency of water resource utilization, and to contribute to the protection of the earth's blue source of life.

### Water Resource Management Objectives

The Company's water resource management objective is to embrace green and low-carbon, build a clean home, enterprise and green cohesion, development and ecological coexistence, clean production, green welcome development.

### Water Resource Management Policy

The Company implements the strictest water resource management system, strictly controls water pollution, adheres to the comprehensive water conservation policy, and prioritizes the protection of the ecological environment.



### Targets for Reducing Water Use

The targets set by the Company for reducing water use are to conserve water, use water efficiently, protect water resources, realize sustainable development, promote ecological balance and improve the utilization rate of water resources.

### Effectiveness of Water Conservation in 2023

Based on the water conservation target, the Company implemented a series of water conservation measures and achieved significant results. The total annual water consumption was 22,883 tons.



## Megmeet's water conservation initiatives include:

- ✓ The Company put forward the Green Action for Water Conservation, labeled with the Water Conservation Logo and replaced with energy-saving faucets, with a single water-saving capacity of about 30%;
- ✓ The Company put into use 4 sets of water treatment systems, with an annual water-saving capacity of 69,500 tons;
- ✓ The Company's wastewater treatment reuse rate reaches 100%, ceramic cleaning wastewater and ultrasonic cleaning wastewater is recycled after treatment.

## Emissions and Waste Management

Megmeet adopts advanced treatment technology to reduce the emission of pollutants generated in the production process. For pollutants such as wastewater, waste gas, waste residue, etc., strict emission standards are implemented to ensure that they are discharged in compliance with the standards. At the same time, production equipment is regularly maintained and updated to reduce the generation of pollutants in the production process.

The Company has formulated management methods for identification and evaluation of environmental factors and waste management methods, and regularly organizes environmental protection knowledge training and publicity activities every year to raise employees' awareness of environmental protection, so that they fully understand the importance of reducing waste, pollutants and toxic gases. The Company regularly carries out environmental protection inspections and organizes "three wastes" testing of wastewater, exhaust gas and noise on a regular basis every year. The Company encourages employees to put forward environmental protection suggestions and actively participate in the Company's environmental protection work.

### ★ Exhaust Gas Emission

The waste gas generated by the Company is mainly divided into injection waste gas and crushing dust. In order to strengthen the environmental management and improve the working environment of the workshop, we collect and treat the waste gas and then discharge it uniformly. The organic waste gas of the injection workshop is collected through the overall air collection system, and the centrally collected waste gas is treated by "UV photocatalytic + activated carbon adsorption", and then discharged through the exhaust pipe on the roof of the plant (15m). The trimmings and defective products generated in the process of injection molding are crushed and reused for production. The Company has a special closed crushing workshop in the plant, using environmentally friendly crushing equipment for collection and reuse in production, resulting in less dust, and discharged in the form of disorganized.

### ★ Wastewater Discharge

The discharged wastewater is mainly domestic sewage, which will be discharged into the municipal sewage network after being pre-treated in the septic tank in the plant to reach the Pollutant Emission Standards for Urban Sewage Treatment Plants (GB18918-2002) Level A standard.

### ★ Solid Waste

Solid wastes in the plant are categorized into general solid wastes and hazardous solid wastes. The Company has formulated Waste Management Measures, Dangerous Goods Management Measures and other institutional documents. General solid waste includes plastics, packaging cartons and domestic garbage. Hazardous solid waste is mainly paint residue, waste rags and gloves, waste packaging drums and so on. All of the above solid wastes are entrusted to the corresponding enterprises with the ability and qualification to carry out regular removal and disposal arrangements.

The Company has a separate room for storing hazardous waste and must carry out treatment and disposal in a specific area.



### ★ Noise

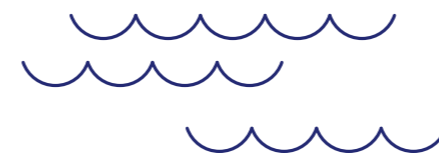
When selecting and purchasing equipment, the Company adopts advanced and low-noise production equipment to reduce noise generation from the source. For noisy equipments, we set up soundproof rooms and control the density of equipment arrangement in the workshop within a suitable range to reduce the impact of noise on the working environment. For high-noise vibration equipment, we have taken measures to set up vibration-proof foundation or vibration-damping pads to reduce the impact of vibration on equipment and staff. At the same time, we strengthen the maintenance and repair of the production equipment to ensure that the equipment runs well and reduce the noise and vibration.

# Reliable and Stable Cooperation

05



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## Supplier Quality Management

Megmeet is committed to building and maintaining a supply chain system that is aligned with the values of high quality, sustainability, and social responsibility to ensure the quality and reliability of products and services while driving the entire supply chain to a higher level.

### Supplier Certification

In accordance with the Supplier Certification Code of Practice, suppliers are required to sign documents such as the Megmeet Sustainability Code of Conduct, Letter of Commitment on Integrity and Honesty, Supplier Confidentiality Agreement, Supply Agreement, Quality Agreement, Agreement on Proof of Non-Use of Hazardous Substances, and Agreement on Claims for Supplier's Quality, Environmental Protection and Social Responsibility.

### Monthly Supplier Performance Assessment

The Supply Chain Management Center conducts monthly performance assessment of suppliers and takes appropriate incentive or penalty measures based on the assessment results to ensure that the suppliers' service quality and performance meet the requirements.

### Annual Supplier Surveillance Audit

Each year, the Company selects key suppliers from the Accredited Vendor List (AVL) and conducts annual surveillance audits on them to ensure their continued compliance with quality management requirements.

In addition to performance evaluations and annual audits, the Company also conducts quality assessments, environmental assessments and social responsibility assessments of its suppliers to ensure that they meet the requirements and expectations of Megmeet in terms of product quality, environmental standards and social responsibility.

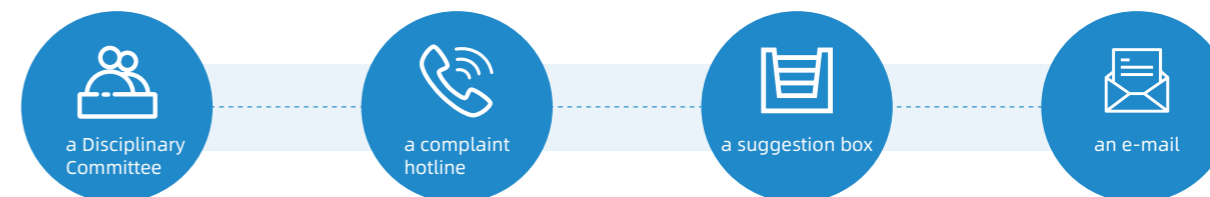
## Building a Stable Supply Chain

Megmeet is committed to building a stable and reliable supply chain, and to this end has taken a number of measures to support the Company's sustainable development. The Company imports hazardous substance management and corporate social responsibility (CSR) audits for all new suppliers, covering labor, occupational health and safety, environmental protection, business ethics and management systems. For suppliers we have already cooperated with, based on business cooperation and purchasing volume, we screen out major or key suppliers for annual hazardous substance and CSR audits to ensure that their business activities meet the Company's requirements.



The Company's purchasing and related departments evaluate suppliers around quality, delivery, cost, and service, and rate them at four levels, ABCD, in conjunction with the results of hazardous materials and CSR audits. Suppliers are rated on their performance once a month and key suppliers are screened for annual audits to ensure they are performing as expected. In order to cope with possible negative impacts, the Company has also formulated a CSR Red Line Crisis Emergency Plan to ensure that when faced with a crisis, we can respond quickly to minimize losses and protect the Company's reputation.

At the same time, the Company has set up a Disciplinary Committee, a complaint hotline, a suggestion box and an e-mail address to receive complaints from employees about business ethics, environmental protection and social responsibility, in order to maintain the normal operation. The Company has also established ten red lines on child labor, illegal labor, major health and safety accidents, environmental emission violations and business ethics violations to clearly define the bottom line that suppliers are not allowed to touch. During the reporting period, the Company did not find any incidents of violating the red line regulations.



The Company has also adopted responsible purchasing measures to investigate the sources of conflict minerals such as 3TG to ensure that all materials are legally compliant. At the same time, we have established a process document for handling hazardous material exceeding the standard, so that we can deal with environmental protection abnormalities of suppliers' materials in a timely and effective manner, in order to ensure that the dual goals of product quality and environmental protection are realized.

In 2023, the Company evaluated a total of 116 suppliers in accordance with the requirements of the Code of Conduct for Sustainable Development, and no suppliers were found to be in serious violation of environmental or social governance, of which one supplier failed in the annual comprehensive CSR score. A total of 95 suppliers were audited for hazardous substances, of which 35 were new suppliers, 60 were audited annually, and 24 were high-risk suppliers. The Company carries out conflict minerals management for 342 suppliers and investigates 3TG sources. Incoming hazardous substance testing of supplier product parts or raw materials was conducted 95,000 times.



# Empowering Supply Chain Partners

The Company is committed to raising the level of social responsibility and environmental compliance among our supply chain partners. To this end, we have implemented a series of targeted initiatives to empower our supply chain partners so that they can better adapt to changing industry standards and societal expectations.

In 2023, the Company conducted a centralized CSR training for its procurement staff with the aim of strengthening their awareness of social responsibility. Through this training, we hope to raise the awareness of our procurement staff on social responsibility issues and motivate them to pay more attention to the social responsibility performance of suppliers in the procurement process.

Second, the Company followed up on suppliers' social responsibility improvement results and conducted one-on-one improvement program presentations more than 30 times. Through in-depth communication and guidance with our suppliers, we have helped them develop targeted improvement programs to enhance their social responsibility performance and compliance, helping our suppliers achieve better improvement results and building a more responsible supply chain system together.

In addition, we have conducted 18 one-on-one training sessions on hazardous substances for suppliers. Through these trainings, we introduced the importance of hazardous substance management to our suppliers and provided specific guidance and advice to help them better manage and control the use of hazardous substances. Such training activities not only help raise suppliers' awareness of environmental protection, but also help reduce potential environmental risks and legal liabilities.



# Supply Chain Sustainability Management

Megmeet believes that supply chain sustainability is one of the keys to achieving long-term business success. Therefore, we are committed to working with our partners to establish and maintain a sustainable business system that meets high standards.

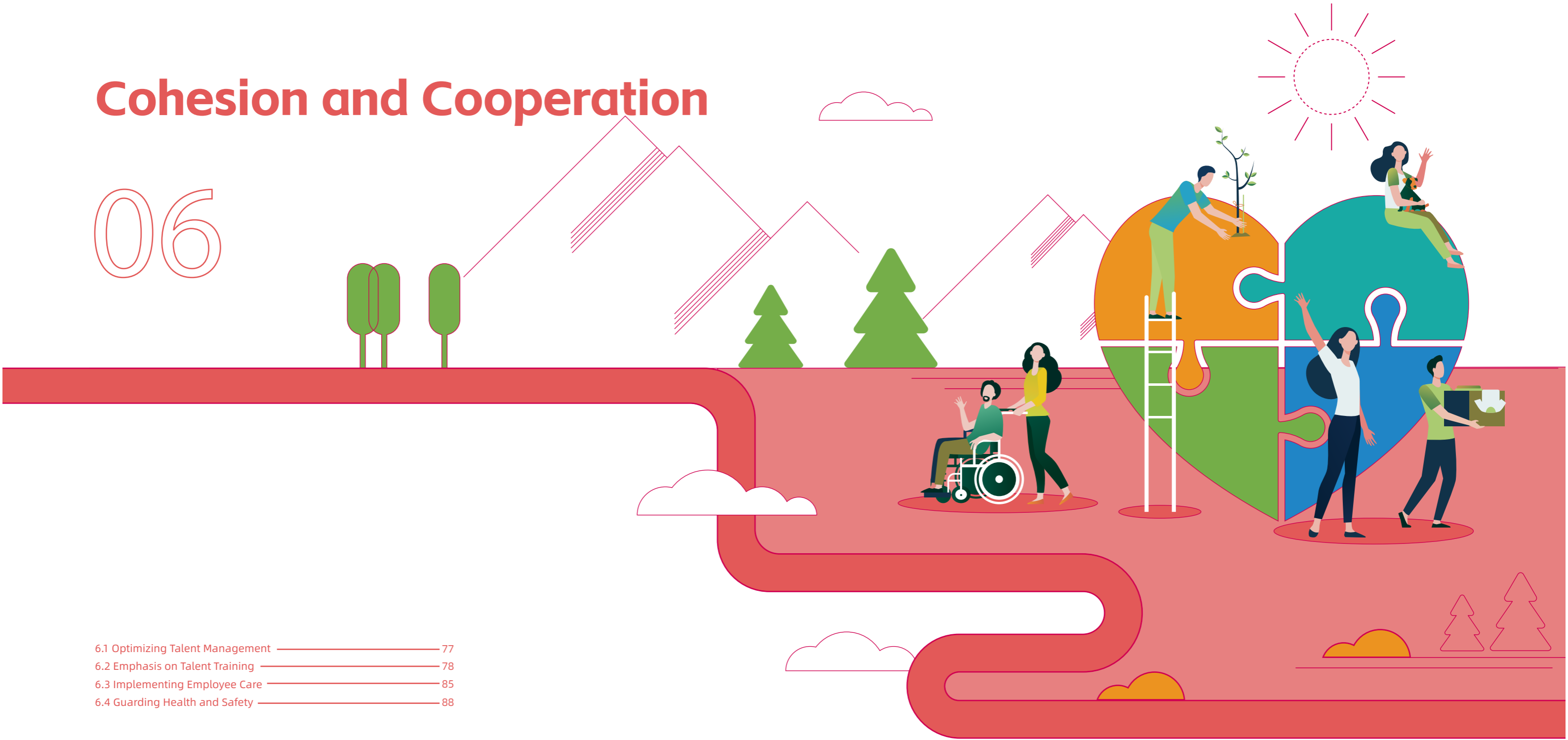
The Company has included the assessment of carbon emissions in the CSR audits of suppliers to promote the implementation of carbon emission management by suppliers. Meanwhile, the Company has also included the assessment of integrity and honesty management in the CSR audits of suppliers to promote the establishment of integrity and honesty systems and management processes by suppliers. In addition, both our Shenzhen head office and Zhuzhou subsidiary have passed the QC080000 Hazardous Substance Management System Certification and established the GPCM environmental protection system to ensure that our products do not contain any hazardous substances during the production process and meet the environmental protection requirements. Through systematic management and supervision, we are able to prevent and control environmental risks more effectively and provide our customers with more reliable and environmentally friendly products.

In the future, the Company will continue to strictly follow the guidelines of sustainable management, and will continue to ask its suppliers to fulfill this mission and work together to build a greener and more sustainable supply chain.

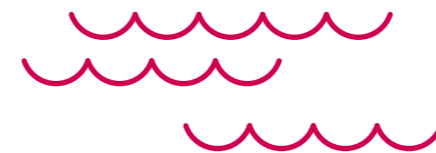


# Cohesion and Cooperation

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## Optimizing Talent Management

Megmeet has formulated its employee management system in strict accordance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations to ensure compliance and fairness in the management of recruitment, termination of employment, salary, promotion, working hours, holidays and other aspects. The Company carries out recruitment and termination of employment on the principles of openness, fairness and impartiality, and selects employees with professional qualities and good working attitudes through well-established processes and procedures. The Company conducts employee interviews for departing employees to understand the reasons for departure, to assist in improving employee performance and employee incentive policies, and to safeguard the legality and fairness of termination decisions and protect employee rights and interests. At the same time, the Company has produced a culture manual that emphasizes "rejecting negative energy in the workplace" to create a positive and healthy working atmosphere.

The Company has established a perfect employee performance management process, which is regularly evaluated and adjusted according to the employee's job responsibilities, performance and market level. At the same time, the Company has set up clear promotion channels and evaluation standards to encourage employees to realize career development through continuous learning and self-improvement. The Company strictly enforces the working hour's system stipulated by the state, focuses on work-life balance of employees, and provides employees with benefits such as paid annual leave and holiday vacations in order to improve work efficiency and quality of life.

## Compliant Employment

Megmeet always adheres to the core concept of equal and compliant employment and is committed to creating a fair, safe and healthy working environment for its employees. The Company complies with the Labor Law, Labor Contract Law, Law on the Protection of Minors, Law on the Protection of Women's Rights and Interests, Provisions on the Prohibition of Child Labor and other relevant laws and regulations, and also establishes systems such as Provisions on the Prohibition of the Use of Compulsory Labor, Procedures for the Relief of Child Labor and the Protection of Minor Workers, Procedures for the Rescue of Child Labor, and the Prohibition of Child Labor and the Rescue of Child Labor. We resolutely prohibit any form of forced labor, prohibit the employment of child labor, respect the will of employees, and ensure that employees enjoy legitimate labor rights and interests. In addition, the Company has formulated the Code for the Protection of Employees from Discrimination and Harassment, which clearly stipulates anti-discrimination, anti-harassment and anti-abuse provisions, and establishes a mechanism for reporting and protection of employees against discrimination, harassment and abuse, so as to effectively safeguard the legitimate rights and interests of all employees.

The Company has established a perfect employee management system, signed the Labor Contract and internally established the Recruitment and Onboarding Code of Practice, the Labor Contract Management Code of Practice, the Social Recruitment Management Code and other systems, whose contents include recruitment and hiring following the principle of equality and inclusion. The Company adopts a multi-channel approach to ensure that every employee and applicant, regardless of race, religion, age, gender, etc., receives equal treatment and opportunity. The Company insists on safeguarding the legitimate rights and interests of all employees, including labor contract workers, dispatched workers, retired workers, outsourced workers and interns. The Company openly recruits according to the number through comprehensive and scientific evaluation, and strictly selects the best candidates after comprehensive evaluation of the recruits. At the same time, the Company has formulated the Bole Award Management System to improve the efficiency of the Company's talent recruitment.

As of the end of the reporting period, the total number of employees employed by Megmeet was 6,543 (including labor dispatch). The ratio of male to female employees is 6:4, with more men in the R&D department.



the total number of employees employed by Megmeet was

**6,543** people



The ratio of male to female employees is

**6:4**



## Employee Rights and Interests

Megmeet strictly abides by national and local labor laws and regulations to protect the rights and interests of employees such as wages, working hours, rest and vacation, etc. The Company has established the Free Choice of Occupation Management Procedures and set up internal employee feedback channels to ensure that the legitimate rights and interests of the employees are maintained in a timely manner. In addition, the Company attaches importance to the career development and growth of employees, provides diversified training and development opportunities, and advocates the employment mechanism of fair competition. Megmeet actively fulfills its corporate social responsibility by participating in social welfare activities, supporting charitable causes and contributing to the construction of a harmonious society. Megmeet's concept of employee rights and interests not only reflects the Company's respect and care for employees, but also the positive commitment to social responsibility. The Company will continue to work hard to realize the common development of enterprises and employees.



## Remuneration Management

Megmeet has formulated the Employee Remuneration Management Measures, aiming to establish a fair, competitive, incentive, economic and legal remuneration system. The Measures are applicable to all regular employees, including retired rehired, seconded, outsourced and internship staff. The remuneration system is closely related to the qualification grades of employees and is divided into five major job families, with specific pay grades approved by the Human Resources Committee. The remuneration structure consists of four parts: salary, bonus, benefits and equity. Salary is calculated on the basis of basic salary, postal salary and fixed meal allowance. Bonuses are categorized into performance bonuses, annual bonuses and project incentive bonuses. In addition, the scope of benefits includes statutory benefits and Company benefits, such as social security provident fund, employee holidays, welfare meal subsidies, and commercial insurance. Salary payments are made on a monthly basis, with the probationary period salary determined on a negotiated basis, and salary adjustments are categorized into regular and special adjustments. Employees' salary information must be kept confidential and is verified and managed by the Human Resources Department.

## Emphasis on Talent Training

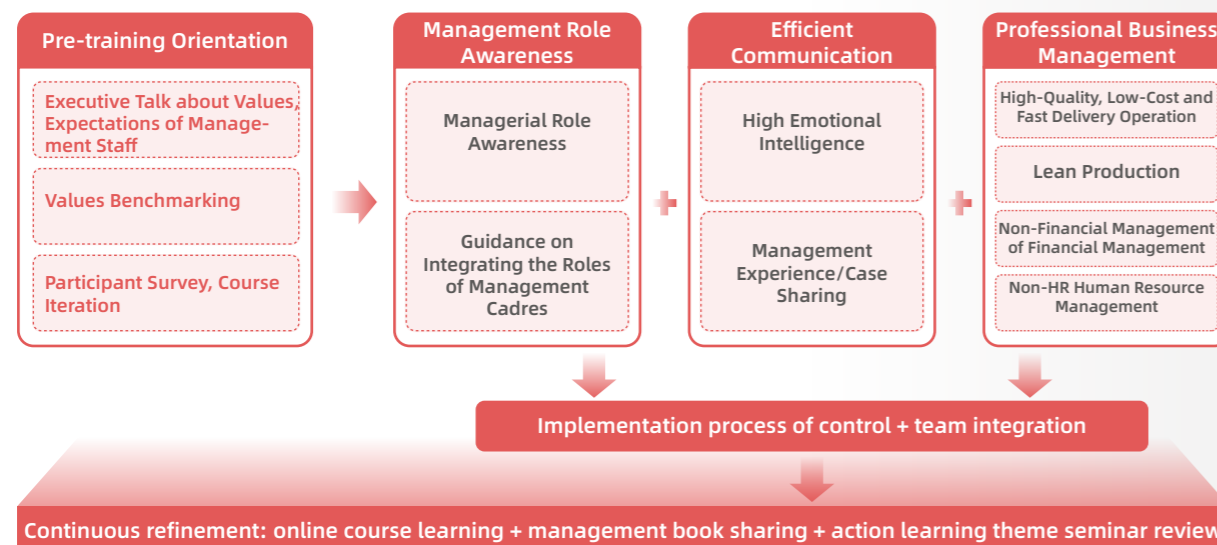
Megmeet has established a multi-level employee training system, which is committed to comprehensively improving the professionalism and comprehensive ability of employees. This systematic training program is designed to help employees continuously expand their knowledge and improve their skills, and through an all-around learning experience, make them more confident and efficient in dealing with various challenges at work. Through group-level training courses, department-level professional guidance and the implementation of the personal mentor system, the Company is committed to providing employees with an all-round, continuous learning platform, helping employees achieve their personal career goals while promoting the long-term development. 2023 training plan completed courses (including new) totaled 1,689, the actual achievement of 1,470, delayed/canceled 219, the training plan achievement rate of 87%. The achievement rate of the training plan is 87%.

There are three levels of training within the Company, including:



### Middle and Lower Level Management Training

The "Management Cadre Training" is a series of training courses designed for management cadres, aiming to improve their role awareness, operational capabilities and leadership influence, so as to better cope with the challenges of daily management.



First, the Company conducted an iteration of internally developed courses to design cognitive courses for different roles, such as non-human, non-financial, and management cadres. These courses emphasized the characteristics and responsibilities of different positions to help management cadres better understand their role positioning and responsibilities, and to enhance management effectiveness. In addition, the Company also focuses on high-quality, low-cost and fast-delivery operation training to enhance the efficiency and team execution of management cadres.

Secondly, the Company has introduced external courses for internalization, especially courses on high emotional intelligence communication. By introducing external professional courses and internalizing them into the training system, the Company helps management cadres to improve their communication skills and emotional intelligence, so as to better handle interpersonal relationships and promote team cooperation. In addition, in terms of the use of online management courses, the Company provides a variety of courses including the Five Types of Influence Cultivation Laws for Leaders and the Four Basic Competencies for Coaches. These courses cover leadership development, team management, decision-making and execution, helping management cadres to continuously improve their management skills and leadership level.

Through these targeted management cadre trainings, the Company is committed to cultivating management talents with strategic vision, excellent execution and outstanding leadership to provide strong support and guarantee for the long-term development.





## Special Training Camp for New Employees

In order to ensure that new employees of Zhuzhou Manufacturing Base can adapt to the job requirements more quickly, Zhuzhou arranges employee induction training from Monday to Thursday according to the number of new employees on the same day, which includes: filling in the information of the induction data and handling the relevant procedures for induction, training on the production of the rules and regulations, safety training, quality training, induction training for Class B positions, and induction examination and assessment. Specific arrangements for offline induction training are as follows:

S/N	Date	Time	Arrangements	Participants	Remarks
1	The first day of employment	8:30-9:50	Fill in the entry data, work license and other formalities	Employees & Staff	If there is a staff induction training for Zhuzhou base on the induction date, they will attend the same batch.  If there is no staff induction training scheduled on that day, they will report to the department and study the induction course on the E-learning platform before attending the offline induction training of the adjacent batch, subject to the training notification.
2		9:50-11:00	Training and examination of Company rules and regulations	Employees & Staff	
3		11:00-12:00	Company safety training	Employees & Staff	
4		12:00-13:30	Preparation for lunch break or joining the company (charging meal card, checking in for accommodation, etc.)	Employees & Staff	
5		13:30-14:00	Fingerprinting for attendance	Employees & Staff	
6		14:00-15:00	Quality training	Employees & Staff	
7		15:00-17:30	Induction training for Class B positions	Employees & Staff	
8			Report to department	Employees & Staff	
9		The second day of employment	8:30-12:00	Induction test, pass the test, report to the department	



## Production Cadre Training Program

"The training course" is a training program specially designed by Megmeet for the graduates of manufacturing school recruitment. The training aims to explore and cultivate reserve talents through the simultaneous cultivation of comprehensive ability and professional skills, combined with the rotation plan, in order to meet the needs of the organization's strategic landing and talent reserve.

The target participants of the training are the 2023 Eagle College Students of the Manufacturing Sector, who will undergo a "3+6+12" training program for a period of time. The training course will focus on cultivating students' comprehensive ability and professional skills, and through all-round training, they will be equipped with solid professional skills and rich comprehensive ability, laying a solid foundation for their future career development. The training course adopts a rotational program, i.e., students will rotate in different departments and positions, so as to help them have a comprehensive understanding of the operation and the responsibilities of each department, and to develop their adaptability and sense of teamwork.

The goal of the training program is to cultivate outstanding talents with comprehensive abilities to provide strong support for the Company's future development. Through systematic training and job rotation, they will become valuable assets and contribute to the realization of the Company's strategic objectives and sustainable development.

	Professionals	Enterprise people	Maimi Staff
Training Stages	Phase I: Compacting the Foundation	Stage 2: Lead Training	Phase III: Orientation
Training Objectives	Process introduction Professionalism Foundation strengthening Role change	Cognizant position Cognizant process On-the-job practice Skill training	Cognitive Sector Professional Skills Professional Contribution Creative Thinking
Cultivation Time	June, 2023- August, 2023 (3 months)	September, 2023- February, 2024 (6 months)	March, 2024- March, 2025 (12 months)
Cultivation Content	General Studies & Specialization	Post professional skills	Job Professional Skills
Evaluation Method	Acceptance of intensive training	Mentor evaluation Case sharing Transfer defense Identification and selection	Mentor evaluation, subject practice (QCC project), performance follow-up
Achievement	Cultural Identity, Role Transformation	Business Learning, Competency Enhancement	Performance growth, value realization





## “Special Training Camp” for New Team Leaders

The “special training camp” is a well-designed training program for team leaders, aiming at clarifying the role positioning and cognition of the basic management personnel, improving the on-site management level of the team leaders, understanding and mastering the on-site management skills, and better serving the production. The training program is a semi-annual program, which invokes the mentor “passing on” mechanism, aiming to comprehensively improve the management ability and job performance ability of the team leader. The training system includes four categories of courses, which builds a complete training series. These four categories are professional, management, general knowledge and cornerstone, covering the professional knowledge, management skills, basic literacy and general skills required by employees to help new employees comprehensively improve their own abilities and qualities.



At the end of the training cycle, the Company summarizes and evaluates the growth and development of the team leaders and provides guidance and support for their further career development.



## The “Eagle Training Camp” for New School Recruits.

The “Eagle Training Camp” is a training program designed specifically for campus-recruited graduates, with the aim of enhancing their action transformation effects and focusing on the cyclical growth and role transformation of graduates. In 2023, a total of 361 campus-recruited college students participated in the training program, which took place in Shenzhen, Changsha and Zhuzhou at the same time.

The course content of this training program combines the training objectives formulated by the business department, and adopts the mode of combining theory and practice to optimize the intensive training course system. Theoretical learning adopts a combination of offline theoretical intensive training and online learning maps to enable trainees to systematically master relevant knowledge and skills. In addition, in order to enhance the corporate culture recognition and integration, the training also includes activities such as quality development, executive meeting, personal growth storytelling, and sharing of workplace tips.

At the completion stage of the Eagle Training Camp, trainees are required to participate in the Eagle Summarization Activity, summarize and reflect on the training process, and complete the transfer defense report. Through the Eagle Training Camp, campus graduates are able to comprehensively improve their personal capabilities, accelerate their role transformation and growth, and at the same time, enhance their recognition and integration of the corporate culture, which will energize the Company's future development.



## School Recruitment Newcomers of “Eagle Training Camp”

The “Eagle Training Camp” is a training program for new employees recruited by Megmeet, focusing on team integration, aiming to help employees quickly integrate into the work environment through a centralized training mode, and standardizing the management of new employees' entry and probationary period. 296 people participated in the training program in Shenzhen in 2023, and the coverage rate of offline training was as high as 92%.

The “Eagle Training Camp” adopts a mixed mode of online and offline training. Online training is carried out through the E-learning learning platform, and trainees need to complete the learning map and pass the online assessment to complete the online training. The learning map has 8 levels and 10 courses, covering the contents of Entering Maimi Electric, Interpretation of Values, Safety Training, Information System and Safety, Financial Expense Reimbursement, and so on. The offline training is integrated with the introduction of corporate culture, including Company and Product Introduction, A Little Bit of Knowledge, the Company Route Visit and team challenge projects.

Through the “Eagle Training Camp”, new employees are able to systematically understand the Company's business and core values, and familiarize themselves with the working environment and team members, so that they can adapt to their workplaces and integrate into the team more quickly. The design of this training program reflects the Company's concern and support for new employees, providing them with a comprehensive and effective learning platform, which promotes employees' personal growth and corporate development.



During the reporting period, the Company invested up to RMB500,000 in staff training expenses, aiming to meet the training needs of different positions at different levels, actively cultivate a team of internal instructors and enhance the Company's capability in staff training. The purpose of this initiative is to provide employees with systematic and personalized training solutions to meet the Company's evolving business needs and employees' career development needs. By cultivating a team of in-house instructors, the Company can better utilize its internal resources to impart the core values and professional knowledge to its employees, and to enhance their professionalism and overall competence. This not only helps employees to better adapt to their workplaces, but also enhances the competitiveness of their career development and improves the quality and efficiency of their work. At the same time, the establishment of the employee training system reflects the Company's concern and support for its employees, providing them with a good learning and growth environment, thus laying a solid talent foundation for the long-term development.

Classification type		Status of trainees
Number of trainees by gender (persons)	Male Employees	<b>3,059</b>
	Female Employees	<b>1,023</b>
Number of hours of training by gender (hours)	Male Employees	<b>110,124</b>
	Female Employees	<b>36,828</b>
Number of Trainees by Employee Type (Persons)	Senior Management	<b>90</b>
	Middle Management	<b>339</b>
	Grassroots Employees	<b>3,653</b>
Number of hours of training by employee type (hours)	Senior Management	<b>3,240</b>
	Middle Management	<b>12,204</b>
	Grassroots Employees	<b>131,508</b>

## Implementing Employee Care

Taking employee care as an important mission, Megmeet demonstrates its care and support for employees through a series of concrete initiatives, which in turn enhances employees' happiness and work motivation. Firstly, the Company regularly organizes a number of internal employee care activities and trade union activities, including seminars for new employees and graduates, etc., aiming to promote exchanges and communication among employees and enhance team cohesion. Secondly, for employees in difficulty, the Company's labor union has set up a management system to help employees in difficulty, providing financial assistance and care services, reflecting the Company's warm care for employees. In addition, the Company pays attention to the health of employees, organizes free physical examination for employees every year, and additionally increases liability insurance and overseas safety and security insurance. The union organizes from time to time mental health lectures, health physiotherapy and other welfare and condolence activities, pays attention to the physical and mental health of the employees, maintains physical and mental safety of the employees, and provides all-round protection and care for the employees.

For female employees, the Company has a special care system, including policies on statutory maternity leave, marriage and parental care, and statutory female holidays, to provide them with a better work-life balance.



### Warmth Delivery for Employees in Difficulties

In December 2023, the labor union of Megmeet Zhuzhou base and the General Union of Tianyuan District carried out the Spring Festival Warmth Delivery Activity, distributing condolence materials to 26 employees in difficulty, and applying for a cash subsidy of 2,000 RMB for 3 employees with special difficulties.



### First Aid Training

On May 12, 2023, the Company invited Zhuzhou Red Cross to conduct first aid training for employees.



### Health Examination

On September 9, 2023, Zhuzhou Megmeet invited the director of an external health examination center to conduct a health seminar for employees.



These employee care activities not only enhance the happiness of employees, but also strengthen the cohesion of the Company. Megmeet is committed to building a caring, harmonious and win-win corporate culture, providing employees with a good working environment and a platform for growth, and jointly realizing the goal of common development between employees and the Company.



### Megmeet Changsha Global R&D Center - Employee Psychological Counseling Room

Megmeet Changsha Global R&D Center - Employee Psychological Counseling Room is committed to providing all-round mental health support and a safe, private space for employees to address psychological distress at work and in life. We have set up a dedicated team of external psychological counseling advisors who have extensive experience and professional knowledge to provide personalized psychological guidance and counseling services to our employees.

Employees can schedule an interview with a counselor by making an appointment in advance, which is designed to give employees more thoughtful care and support. We value the mental health of our employees and believe that in an understanding and supportive environment, and employees are better able to cope with challenges, self-improvement and work-life balance.

At Megmeet Changsha Global R&D Center - Employee Psychological Counseling Room, we are committed to creating an inclusive and supportive culture where employees can freely express their inner feelings and confusion, as well as receive professional help and guidance. We believe that focusing on the mental health of our employees not only enhances work efficiency and team cohesion, but also promotes their personal growth and development.

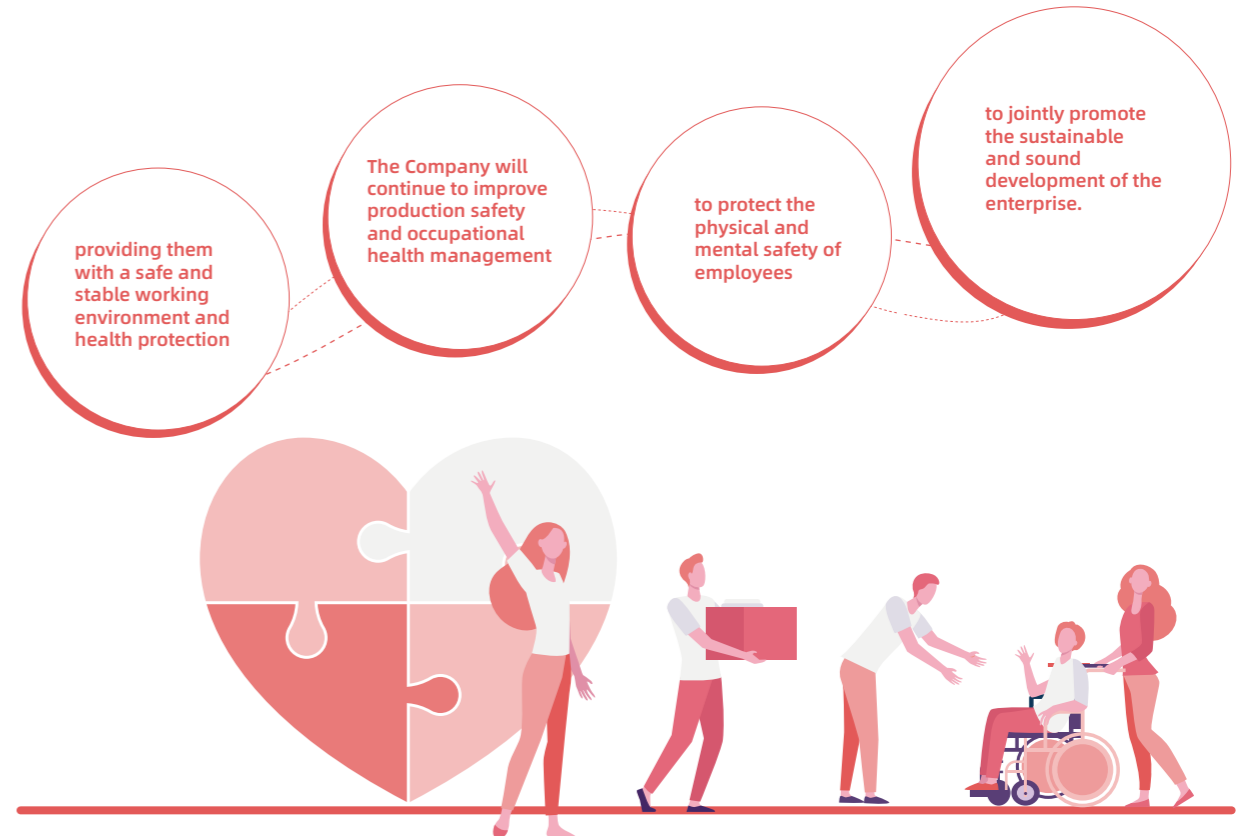


## Guarding Health and Safety

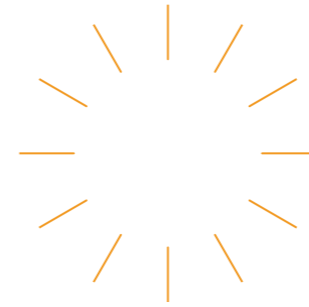
Megmeet cares about employees' health and is committed to safeguarding their safety, and has adopted a series of effective management initiatives. Firstly, in terms of occupational health and safety, the Company adopts the LEZ risk evaluation method for risk assessment, which evaluates the risk exposure time, the severity of the risk and the number of people directly facing the risk through quantitative values. Secondly, the Company has established a complete problem handling process, in which the department head will conduct risk assessment of the exposed problems, classify the risk level of the problems, and formulate corresponding countermeasures to continuously improve the problem improvement process. For the management of occupational diseases, the Company has adopted a strict response mechanism, including strict control of employee health at the initial stage of job recruitment, increasing the number of medical checkups for occupational diseases, and an annual review of occupational diseases in each position by the Safety Committee, which intervenes to deal with high-risk issues at the first time.

In terms of production safety and occupational health management, the Company always implements strict assessment of work performance. The Company invests sufficiently in safety production, conducts frequent safety inspections, and from time to time organizes training for employees in safety, occupational skills and management skills of management cadres, covering fire emergency drills, first aid training, etc., to unify management thinking and promote the effectiveness of communication. We utilize nail groups and emails to promote timely communication and feedback of information, and the number of hours of safety training continues to increase.

Megmeet and its subsidiaries conducted regular testing of occupational health-related hazards in March 2023 (test report No. BTC(ZJ) 230201), which meets the requirements of the relevant standards, with no major safety production accidents, occupational diseases and workplace accidents, a 100% pass rate for the supervisory sampling and inspection of special equipments, and a 100% licensing rate for special operators. These figures fully reflect that the Company attaches great importance to and cares for the safety of its employees, providing them with a safe and stable working environment and health protection. The Company will continue to improve production safety and occupational health management, to protect the physical and mental safety of employees, and to jointly promote the sustainable and sound development of the enterprise.



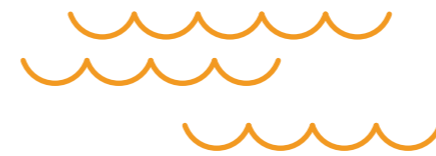
# With Sincerity, Walking Together



07



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# Industry Development and Standard Setting

Megmeet actively participates in communication within the industry and in the revision of national and industry-related standards in order to promote the common progress of the industry. As a technology-leading enterprise, Megmeet realizes the importance of close cooperation with industry associations and organizations, and therefore actively participates in domestic and international industry associations, such as the Shenzhen Electronic Chamber of Commerce, the Electrical Automation Association, the Microsoft Digital Association, and the Electronic Power Supply Association.



Through participation in these associations, the Company communicates and cooperates with other enterprises and experts in the same industry, sharing the latest industry trends, technological innovations and best practices. Meanwhile, Megmeet also actively participates in various events, seminars and conferences organized by the associations to exchange experiences and have professional discussions with industry peers.

In addition to participating in industry associations, Megmeet also plays an active role in revising national and industry-related standards. The Company's professional team often participates in the formulation and revision of national and industry-related standards, contributing to the standardized development of the industry. Through these actions, Megmeet not only improves its own technical level and industry influence, but also helps the healthy development and common progress of the whole industry.

S/N	Standard name	Participating units	Type of standard	Formulation /Revision
1	Technical Specification for New Energy Vehicle Manufacturing for Green and Low Carbon Industry Recognition	Shenzhen Megmeet Electric Co., Ltd.	Group Standard	Formulation
2	Arc Welding Equipment Part 5: Wire Feeders	Shenzhen Megmeet Welding Technology Co., Ltd.	National Standard	Revision
3	Arc Welding Equipment Part 3: Wire Feeders	Shenzhen Megmeet Welding Technology Co., Ltd.	National Standard	Revision
4	Testing Methods for Energy Consumption in Welding Process	Shenzhen Megmeet Welding Technology Co., Ltd.	National Standard	Formulation
5	Technical Specification for Green Design Product Evaluation Arc Welding Equipment	Shenzhen Megmeet Welding Technology Co., Ltd.	Group Standard	Formulation

S/N	Standard name	Participating units	Type of standard	Formulation /Revision
6	Intelligent submerged oil electric screw pump unit	Hangzhou Qianjing Technology Co., Ltd. Shenzhen Megmeet Electric Co., Ltd. Zhuzhou Megmeet Electric Co., Ltd. Guangdong Tianjin Electronic Technology Co., Ltd. Zhejiang Megmeet Electric Technology Co., Ltd.	Group Standard	Formulation
7	General Technical Conditions for Handheld Laser Welding Torch	Shenzhen Megmeet Welding Technology Co., Ltd.	Group Standard	Formulation
8	Handheld Laser Welding Machine Energy Efficiency Limit Value and	Shenzhen Megmeet Welding Technology Co., Ltd.	Group Standard	Formulation
9	Safe Useful Life of Household Electrical Appliances Part 9: Intelligent Toilet Bowl	Zhejiang Yihe Sanitary Ware Co., Ltd.	Group Standard	Formulation

# Cooperation of Industry-University-Research

In 2023, Megmeet has carried out a number of initiatives in the area of industry- university-research cooperation. The Company cooperates with a number of universities in the strategic phase, including increasing the investment in R&D funding for schools and strengthening the adherence of cooperation. Secondly, in the development phase, the Company organizes student receptions and sets up project cooperation plans. In the future stage, the Company set up a long-term cooperation and development plan for the target universities to lay the foundation for continuous cooperation. In addition, the Company has joint school-enterprise cooperation programs with a number of domestic universities such as Wuhan University of Technology, Hunan University and Jiangxi University of Technology to meet the Company's future business development needs and technical support work. Overseas, the Company has established research institutes and production bases in the U.S., Germany, Thailand, India and other regions, and plans to start a new research center construction project in the U.S. In the future, the Company will further expand the territory of international cooperation between industry, university and research.





## Helping to Build Communities



### Social Welfare

Megmeet actively practices social responsibility, and constantly contributes to the society by sharing innovative ideas through regular interaction and communication with government departments. For 7 consecutive years, the Company has cooperated with Zhejiang University's School of Electricity in student aid activities, setting up 10 scholarship places and 6-7 bursary places to help students complete their studies. In 2023, the Company increased social welfare activities to enhance the Company's brand image and actively fulfill its corporate social responsibility.

#### Megmeet Scholarship

Megmeet Scholarship is established by the Company's donation, which is aimed at rewarding the outstanding students studying in the School of Electrical Engineering of Zhejiang University and subsidizing the students with family financial difficulties. The scholarship program not only focuses on the students' academic performance, but also emphasizes their overall development of morality, intelligence, and physical fitness as well as their performance in both character and academic excellence.

##### Megmeet Scholarship

**Target:**  
26 outstanding students enrolled in the School of Electrical Engineering of Zhejiang University.

**Scope of Funding:**  
including doctoral students, master's students and undergraduates

**Funding Amount:**  
8,000 RMB (doctor), 6,000 RMB (master) and 4,000 RMB (undergraduate) according to different academic degrees.

##### Megmeet Grants

**Targets:**  
8 current students with financial difficulties in their families.

**Funding Conditions:**  
hard work, diligence, good grades, recognized by the school as family financial difficulties.

**Funding Amount:**  
4,000 RMB per person per year.

##### Priority of Financial Aid Recipients

**Geographical Priority:**  
students from Hunan, Jiangxi and Guangxi.

**Funding Recipients:**  
2 doctoral students, 4 master's students and 2 undergraduates.

**Funding Amount:**  
4,000 yuan per person per year for five consecutive years.

Through the establishment of scholarships and grants, Megmeet provides more learning and growth opportunities for the students of Zhejiang University's School of Electrical Engineering, and at the same time reflects the Company's substantive action to actively fulfill its corporate social responsibility.



#### Social Welfare Donation Activity

On July 26, 2023, Megmeet actively participated in the community development affairs of Tianyuan District to send a batch of warm sponsorship gifts to Lingxi Community to support the activities. These gifts are not only material donations, but also care and support for the community residents, which demonstrates the caring heart of Megmeet.

On September 27, 2023, the Company once again took practical action to give back to the community, and joined hands with the branch committee of Megmeet to carry out a warm Mid-Autumn Festival donation activity. The activity went into the Yuetang community to care for the disabled and widows and orphans, totaling 30 people. The Company donated a wealth of Mid-Autumn Festival materials to bring them holiday greetings and care. This donation activity not only brought practical help to the disadvantaged groups, but also conveyed the warmth and love of social organizations, showing the responsibility and commitment of enterprises to the community.

These donations demonstrate the social responsibility and caring spirit of Megmeet and its branch committees. By supporting community activities and caring for the underprivileged, the Company conveys the concept of corporate social responsibility and establishes a good corporate image. The materials and care brought by these donations are of great significance to the beneficiaries. For the residents of Lingxi and Yuetang communities, it is not only tangible material support, but also a kind of comfort and warmth in their hearts. These donations can improve their quality of life and enhance their sense of belonging and happiness to the community.

By advocating the participation of enterprises in social welfare, Megmeet promotes the harmonious development and common progress of the society. At the same time, it also inspires more enterprises and individuals to participate in public welfare, forming a benign social mutual assistance mechanism.



### Rural Revitalization

As a company that upholds the concept of social responsibility, Megmeet has always been committed to playing an active role in all areas of society. As of the end of 2023, the Company has launched a series of concrete practical activities to help revitalize the countryside, not only contributing to supporting the sale of agricultural products, but also injecting new vitality into local education through school-enterprise cooperation. These initiatives not only promote farmers' income and prosperity, but also enhance the market competitiveness of local agricultural products, while adding bricks and mortar to the local education. The Company's actions are not only a strong support for the rural revitalization strategy, but also set an example of corporate social responsibility, bringing a positive impact on society.



#### Jiangxi Gan Orange Collection and Farming Activities

In response to the national rural revitalization strategy and in-depth implementation of school-enterprise cooperation, Megmeet launched a meaningful practical activity to promote the sale of local agricultural products and support the education cause.

The Company decided to support the sale of agricultural products in a way that is closer to people's livelihoods in the process of cooperating with local universities. The Company chose to collect Jiangxi Gan oranges to support the sales of local agricultural products. The Company purchased a total of 150 exquisite Jiangxi Gan oranges worth about 20,000 RMB as gifts from the local Jiangxi community.

The creation of this activity has played a positive role in the revitalization of local villages. By supporting the sales of local agricultural products, the Company promotes farmers' income and prosperity, and injects new vitality into the local agricultural economy. Secondly, choosing Jiangxi Gan oranges as gifts not only shows the charm of local specialty agricultural products, but also enhances the popularity and market competitiveness of the region's agricultural products. In addition, the cooperation between Megmeet and universities has injected new impetus into local education and promoted the in-depth development of school-enterprise cooperation.

This practice is not only a strong support to the rural revitalization, but also a positive contribution to the local economy, agriculture and education. Through the practice of corporate social responsibility, Megmeet has made positive contributions to building a harmonious society, promoting rural development and enhancing the well-being of people's livelihoods, and has established a good corporate image, which has been widely praised and recognized by all sectors of the society. The Company also conveys positive corporate culture and values to the society and makes positive contributions to building a harmonious society and realizing sustainable development.

# Future Outlook

In the future, Megmeet will continue to fulfill its corporate motto of “Creating a comfortable living environment through the efficient use of electricity” and integrate the concept of sustainable development into its corporate governance system. We are committed to achieving long-term growth and social responsibility, and with this in mind, we will strengthen our corporate governance structure, enhance management transparency and accountability, and further improve internal control mechanisms to ensure representative and effective decision-making.

On energy management, we will gradually promote clean energy transformation, reduce our reliance on fossil fuels and adopt various energy-saving measures to reduce energy consumption and carbon emissions. At the same time, we will set targets for waste reduction and resources recycling, implement sustainable waste management programs, and enhance waste separation and recycling systems to reduce waste emissions and contribute to environmental protection.

In terms of employee rights and benefits, we will enhance employee welfare and benefits, strengthen employee participation and communication mechanisms, and commit to creating a safe and healthy working environment to safeguard the rights and well-being of our employees.

At the same time, we will further increase our investment in local communities, support programs in education, environmental protection, and social welfare, and actively participate in all kinds of social responsibility activities to promote the development of the community and the continuous progress of public welfare.

Megmeet will make unremitting efforts to realize these goals and plans and make our contribution to building a greener and more sustainable future.



# ESG Key Performance



## Environmental Key Performance Table

Name of key performance indicator	Indicator unit	Statistical data		
		2021	2022	2023
<b>Energy use</b>				
Natural gas	cubic meter	166,742	177,171	132,242
Diesel	liter	13,480	28,000	19,174
Gasoline	liter	51,542	45,479.83	51,963.59
Renewable energy	degree (kWh)	1,283,915.60	1,233,896.00	1,204,265.20
Purchased electricity	degree (kWh)	19,959,967	27,970,447	35,229,710
<b>Gaseous pollutant emissions</b>				
Total exhaust emissions	cubic meter	0	60,000,000	120,000,000
VOC emissions	mg/m3	0	1.01	1.01
Direct (Scope 1) greenhouse gas emissions	Metric tons of carbon dioxide equivalent	789.78	975.13	About 1,200
Energy indirect (Scope 2) greenhouse gas emissions	Metric tons of carbon dioxide equivalent	11,564.93	16,369.03	About 21,280
Other indirect (Scope 3) greenhouse gas emissions	Metric tons of carbon dioxide equivalent	843,972.97	1,234,884.62	About 1,518,900
<b>Water utilization</b>				
Surface water	megaliter	0	0	0

Name of key performance indicator	Indicator unit	Statistical data		
		2021	2022	2023
Groundwater	megaliter	0	0	0
Seawater	megaliter	0	0	0
Generated Water	megaliter	0	0	0
Third party water	megaliter	0	0	0
Municipal purchased water	cubic meter	27,940	50,825	24,678
Amount of surface water for use	cubic meter	0	0	0
Amount of rainwater collected for use	cubic meter	0	0	0
Groundwater usage	cubic meter	0	0	0
Total recycled/reclaimed water	cubic meter	49,500	55,600	69,500
<b>Water pollution discharges</b>				
Total wastewater discharge	cubic meter	350	950	1,800
<b>Waste management and pollutant prevention</b>				
Total recyclable waste	tons	35.90	39.90	40.70
Other total general solid waste	tons	0.50	0.50	0.50
Total hazardous waste	tons	0.83	0.79	2.43
<b>Transportation</b>				
Total transportation miles	Kilometers	12,480	45,760	25,250
Number of electric private vehicle ownership	(classifier for wheeled vehicles)	0	0	0
Miles of electric private cars	Kilometers	0	0	0
Number of private fuel vehicles	(classifier for wheeled vehicles)	1	1	1
Miles of private fuel vehicle	Kilometers	9,360	9,360	9,360
Number of electric trucks	(classifier for wheeled vehicles)	0	0	0
Miles of electric trucks	Kilometers	0	0	0
Number of Fuel Trucks	(classifier for wheeled vehicles)	0	0	0
Miles of fuel trucks	Kilometers	0	0	0

Name of key performance indicator	Indicator unit	Statistical data		
		2021	2022	2023
<b>Green office</b>				
Office saving on electricity consumption	Degree (kWh)	129,266.19	414,125.1	405,830
Saving paper consumption in office	piece	3,000	5,000	10,000
Water conservation in office	cubic meter	350	5,097	5,281



## Social Key Performance Table

Name of key performance indicator	Indicator unit	Statistical data			
		2021	2022	2023	
<b>Employee rights and benefits</b>					
Labor contract signing ratio	Labor contract signing ratio	%	100	100	100
<b>Employee employment</b>					
Total number of employees	Person	4,285	5,265	6,543	
By Gender	Male	Person	2,599	3,302	4,112
	Female	Person	1,686	1,963	2,431
By Education	Doctor and Professor	Person	9	10	8
	Master	Person	155	183	240
	Undergraduate	Person	1,220	1,737	2,363
	College	Person	970	1,168	1,345
	Junior college	Person	1,931	2,167	2,587
By Employee Category	Total number of grassroots employees	Person	4,285	5,265	6,138
	Total number of employees at middle management level	Person	/	/	339
	Number of female employees in middle management	Person	/	/	59
	Total number of employees at senior management level	Person	/	/	66
	Number of female employees in senior management	Person	/	/	9

Name of key performance indicator	Indicator unit	Statistical data			
		2021	2022	2023	
By Employee Professional Composition	Production staff	Person	2,094	2,554	3,141
	Sales staff	Person	406	509	617
	Technical staff	Person	1,443	1,808	2,322
	Finance staff	Person	71	76	85
	Administrative staff	Person	271	318	378
<b>Staff training</b>					
Total number of employees trained	Person	4,285	5,265	4,082	
By Gender	Number of male employees trained	Person	/	/	3,059
	Number of female employees trained	Person	/	/	1,023
By Employee Type	Number of grassroots employees trained	Person	/	/	3,653
	Number of middle management employees trained	Person	/	/	339
	Number of senior management employees trained	Person	/	/	90
Total hours of employee training	Hour	148,261	189,525	146,952	
Average hours of employee training	Hour	34.60	36.00	36.00	
By Gender	Total hours of training received by male employees	Hour	/	/	110,124
	Total hours of training received by female employees	Hour	/	/	36,828
By Employee Type	Total hours of training received by junior staff	Hour	/	/	131,508
	Total hours of training received by middle management employees	Hour	/	/	12,204
	Total hours of training received by senior management staff	Hour	/	/	3,240
Investment in vocational training	Yuan	/	/	509,072.00	
<b>Occupational Health and Safety</b>					
Health and safety investment	Employee investment in occupational health and safety	RMB 10,000	5	10	10
	Investment in Work Safety	RMB 10,000	14.30	21.70	19.70

Name of key performance indicator		Indicator unit	Statistical data		
			2021	2022	2023
Work safety training Performance	Number of Safety Training Personnel	Person	352	440	670
	Hours of safety training	Hour	28	37	29
	Safety training coverage	%	98	98	98
<b>Supply chain management data</b>					
Total number of suppliers		(A unit used to describe the number)	801	862	954
Number of suppliers that have conducted social impact assessments		(A unit used to describe the number)	22	85	116
Number of suppliers that have conducted environmental impact assessments		(A unit used to describe the number)	22	85	116
Number of suppliers identified as having actual and potential significant negative social impacts		(A unit used to describe the number)	0	0	0
Total number of new suppliers		(A unit used to describe the number)	140	174	165
By type of assessment	Percentage of new suppliers screened using environmental criteria	%	15.7	35.1	70.3
	Percentage of suppliers screened using social criteria	%	15.7	35.1	70.3
Percentage of purchasers who have passed sustainable procurement training within the Company		%	100	100	100
Operating sites that have conducted a corruption risk assessment		(A unit used to describe the number)	22	85	116
<b>Product responsibility and service</b>					
Number of complaints received about products and services		piece	91	63	134
Complaints handling rate		%	100	100	100
Qualified rate of product sampling		%	92.79	95.79	95.59
Number of product recalls		piece	0	0	0
Percentage of sold or shipped products that have to be recalled due to safety issues		%	0	0	0
Business scope covered by quality management system certification		%	100	100	100
Customer satisfaction		%	86.50	85.41	87.52



## Governance Key Performance Table

Name of key performance indicator		Indicator unit	Statistical data		
			2021	2022	2023
<b>Corporate governance</b>					
Number of disclosure reports		(A unit used to describe the number)	59	137	79
Number of times the Board of Directors was convened		(A unit used to describe the times)	3	11	6
Number of times the Supervisory Committee was convened		(A unit used to describe the times)	3	10	5
Number of times the Strategic Development Committee was convened		(A unit used to describe the times)	1	1	1
Number of times the Audit Committee was convened		(A unit used to describe the times)	4	3	3
Number of times the Nomination Committee was convened		(A unit used to describe the times)	1	2	1
Number of times the Remuneration and Evaluation Committee was convened		(A unit used to describe the times)	1	4	3
Number of Board Members		Person	5	5	5
Disclosure by Gender	Male Directors	Person	4	4	4
	Female Directors	Person	1	1	1
Disclosure by Type	Independent Directors	Person	2	2	2
	Non-Independent Directors	Person	3	3	3
<b>Compliance operations</b>					
Number of employee compliance training		Person	/	/	6,543
Number of employee compliance training hours		Hour	/	/	1.5
<b>Anticorruption</b>					
Number of corruption litigation cases filed and concluded by the regulator against issuers or their employees (Note 1)		Piece	/	/	0
Average number of hours of anti-graft and anti-corruption training received by employees		Hour	/	/	0.5

Name of key performance indicator	Indicator unit	Statistical data			
		2021	2022	2023	
<b>Intellectual property protection</b>					
Number of patents held	Piece	835	1,122	1,406	
Number of copyrights held	Piece	187	191	224	
Number of trademark and character registration rights held	Piece	237	445	569	
Number of software copyrights held	Piece	133	137	159	
Number of new patent applications filed per year	Piece	340	352	427	
Number of new copyright applications per year	Piece	14	4	33	
<b>Corporate operating performance indicators</b>					
Economic indicators	Operating Income	RMB 10,000	415,573.77	547,775.86	675,424.12
	Net Profit	RMB 10,000	41,291.28	47,938.88	62,511.20
	Total cash dividends (including tax)	RMB 10,000	7,921.11	9,471.86	10,859.92
	Cash dividend per 10 shares	RMB yuan	1.60	0.50	2.18



## Index Table of Reporting Standards

Usage Note: Megmeet reported the information cited in this GRI Content Index from January 2023 through December 2023 with reference to the GRI Standard.  
GRI 1 used: GRI 1: Base 2021

GRI Standard Number	GRI Standard Content	Chapter
<b>GRI 2: General Disclosure</b>		
<b>Organizations and reporting practices</b>		
2-1	Organization details	About Megmeet
2-2	Entities included in the organization's sustainability report	List of subsidiaries within the scope of the report
2-3	Reporting period, frequency of reporting and contact person	Description of the Report
2-4	Restatement of information	For details, please refer to each section of the report

GRI Standard Number	GRI Standard Content	Chapter
<b>Activities and workers</b>		
2-6	Activities, value chains and other business relationships	About Megmeet Industry Development and Standard Setting Reliable and Stable Cooperation
2-7	Employees	Cohesion and Cooperation
2-8	Workers other than employees	Cohesion and Cooperation
<b>Governance</b>		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and Selection of the Supreme Governing Body	Corporate Governance
2-11	Chairman of the highest governance body	Corporate Governance
2-12	Oversight role of the highest governance body in managing influence	Chairman's Speech Corporate Governance
2-13	Delegation of responsibility for managing impacts	Sustainability Management Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management Corporate Governance
2-15	Conflicts of interest	Stakeholder Communication Corporate Governance
2-16	Communication of key concerns	Stakeholder Communication Substantive Issues Management Corporate Governance
2-17	Common knowledge of the highest governance body	Corporate Governance
2-18	Performance assessment of the highest governance body	Sustainability Management Corporate Governance
2-19	Remuneration policy	Optimizing Talent Management
2-20	Procedures for determining remuneration	Optimizing Talent Management

GRI Standard Number	GRI Standard Content	Chapter
<b>Strategies, policies and practices</b>		
2-22	Statement on Sustainable Development Strategy	Chairman's Speech Sustainability Management
2-23	Policy Commitments	Corporate Governance Supplier Quality Management Optimizing Talent Management
2-24	Integration Policy Commitments	Building a Stable Supply Chain
2-25	Procedures for remedying negative impacts	Building a Stable Supply Chain
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Implementing Employee Care
2-27	Compliance with laws and regulations	For details, please refer to each section of the report
2-28	Membership of the Association	Industry Development and Standard Setting
<b>Stakeholder Engagement</b>		
2-29	Methods of stakeholder engagement	Stakeholder Communication Corporate Governance
<b>GRI 3: Substantive Issues 2021</b>		
3-1	Process for identifying substantive issues	Sustainability Management
3-2	List of substantive issues	Sustainability Management
3-3	Management of substantive issues	Sustainability Management
<b>GRI 201: Economic Performance 2016</b>		
201-1	Economic value directly generated and distributed	Optimizing Talent Management
201-2	Financial impact of climate change and other risks and opportunities	Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Implementing Employee Care
<b>GRI 202: Market Performance 2016</b>		
202-2	Percentage of executives hired from local communities	ESG Key Performance

GRI Standard Number	GRI Standard Content	Chapter
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investment and support services	Social Welfare
203-2	Significant indirect economic impacts	Social Welfare
<b>GRI 205: Anti-Corruption 2016</b>		
205-1	Operational sites where corruption risk assessments have been conducted	ESG Key Performance
205-2	Communication and training on anti-corruption policies and procedures	Business Ethics
205-3	Corruption incidents identified and actions taken	Business Ethics
<b>GRI 206: Anti-competitive behavior 2016</b>		
206-1	Lawsuits against anticompetitive behavior, antitrust and antimonopoly practices	Keeping the Heart and Soul of the Business
<b>GRI 301: Materials 2016</b>		
301-1	Weight or volume of material used	Green Production
301-2	Recycled feedstock used	Green Production
301-3	Recycled products and their packaging materials	Green Production
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption inside the organization	ESG Key Performance
302-2	Energy consumption outside the organization	ESG Key Performance
302-3	Energy intensity	Green Production New Energy Transition Initiatives Environmental Management
302-4	Reduction in energy consumption	Green Production New Energy Transition Initiatives Environmental Management
302-5	Decrease in energy demand for products and services	Green Production New Energy Transition Initiatives Environmental Management

GRI Standard Number	GRI Standard Content	Chapter
<b>GRI 303: Water Resources and Sewerage 2018</b>		
303-1	Organizational interactions with water as a shared resource	Water Resource management
303-2	Managing drainage-related impacts	Water Resource management
303-4	Drainage	ESG Key Performance
303-5	Water consumption	ESG Key Performance
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change ESG Key Performance
305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change ESG Key Performance
305-3	Other indirect (Scope 3) GHG emissions	Responding to Climate Change ESG Key Performance
305-4	GHG Emission Intensity	Responding to Climate Change ESG Key Performance
305-5	GHG Emission Reductions	Responding to Climate Change
<b>GRI 306: Waste 2020</b>		
306-1	Waste Generation and Significant Impacts Related to Waste	Emissions and Waste Management
306-2	Management of Significant Impacts Related to Waste	Emissions and Waste Management
306-3	Waste generated	Emissions and Waste Management
306-4	Waste Transferred from Disposal	Emissions and Waste Management
306-5	Waste entering disposal	Emissions and Waste Management
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers screened using environmental evaluation dimensions	Reliable and Stable Cooperation
308-2	Negative environmental impacts of supply chains and actions taken	Reliable and Stable Cooperation
<b>GRI 401: Employment 2016</b>		
401-1	Hiring rate of new employees and employee turnover	ESG Key Performance
401-2	Benefits offered to full-time employees (excluding temporary or part-time employees)	Optimizing Talent Management

GRI Standard Number	GRI Standard Content	Chapter
401-3	Parental leave	Implementing Employee Care
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational Health and Safety Management System	Guarding Health and Safety
403-2	Hazard identification, risk assessment and accident investigation	Guarding Health and Safety
403-3	Occupational Health Services	Guarding Health and Safety
403-4	OHS services: worker participation, consultation and communication	Guarding Health and Safety
403-5	Worker OHS training	Guarding Health and Safety
403-6	Worker health promotion	Implementing Employee Care Guarding Health and Safety
403-7	Prevention and mitigation of OHS impacts directly related to business relationships	Guarding Health and Safety
403-8	Workers covered by OHS management systems	Guarding Health and Safety
403-9	Work-related injuries	Guarding Health and Safety
403-10	Work-related health issues	Guarding Health and Safety
<b>GRI 404: Training and Education 2016</b>		
404-1	Average number of hours of training per employee per year	ESG Key Performance
404-2	Employee skills enhancement programs and transition assistance programs	Focusing on Talent Development
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governing bodies and employees	Optimizing Talent Management
<b>GRI 406: Anti-Discrimination 2016</b>		
406-1	Incidents of discrimination and corrective action taken	Optimizing Talent Management
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operational sites and suppliers where freedom of association and collective bargaining rights may be at risk	Building a Stable Supply Chain
<b>GRI 408: Child labor 2016</b>		
408-1	Operating sites and suppliers with significant risk of child labor incidents	Optimizing Talent Management Building a Stable Supply Chain



GRI Standard Number	GRI Standard Content	Chapter
<b>GRI 409: Forced or compulsory labor 2016</b>		
409-1	Operating sites and suppliers with significant risk of incidents of forced or compulsory labor	Building a Stable Supply Chain
<b>GRI 413: Local community 2016</b>		
413-1	Operations with local community involvement, impact assessment and development plans	Sustainability Management Green Production Empowering Supply Chain Partners Industry Development and Standard Setting Enabling Communities
413-2	Operations with actual or potential significant negative impacts on local communities	Water Resource Management Emissions and Waste Management ESG Key Performance
<b>GRI 414: Supplier social Assessment 2016</b>		
414-1	New suppliers screened using social evaluation dimensions	Supplier Quality Management Building a Stable Supply Chain Supply Chain Sustainability Management
414-2	Negative social impacts of supply chains and actions taken	Supplier Quality Management Building a Stable Supply Chain Supply Chain Sustainability Management
<b>GRI 416: Client Health and Safety 2016</b>		
416-1	Assessing the health and safety impacts of product and service categories	Product Quality and Customer Service
416-2	Violations involving health and safety impacts of products and services	Product Quality and Customer Service
<b>GRI 417: Marketing &amp; Signage 2016</b>		
417-1	Requirements for product and service information and labeling	Product Quality and Customer Service
417-2	Breaches involving product and service information and labeling	Product Quality and Customer Service
417-3	Breaches involving marketing communications	Product Quality and Customer Service
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints involving invasion of customer privacy and loss of customer data	Product Quality and Customer Service



## List of Subsidiaries within the Report

S/N	Name of subsidiaries
1	Zhuzhou Megmeet Electric Co., Ltd.
2	Hunan Weilang Technology Co., Ltd.
3	Zhuzhou Weilang Technology Co., Ltd.
4	Beijing Laite Micro Energy Technology Co., Ltd.
5	Shenzhen Megmeet Drive Technology Co., Ltd.
6	Zhuzhou Lihui Technology Co., Ltd.
7	Shenzhen Megmeet Drive Software Technology Co., Ltd.
8	Megmeet Control Technology Co., Ltd.
9	Zhejiang Yihe Sanitary Ware Co., Ltd.
10	Hangzhou Yi Zhi Xin Technology Co., Ltd.
11	Xi'an Megmeet Electric Co., Ltd.
12	Hunan Megmeet Electric Technology Co., Ltd.
13	MEGMEET HONGKONG LIMITED
14	ALTATRONIC INTERNATIONAL CO., LTD.
15	MEGMEET USA, INC.
16	MEGMEET SWEDEN AB.
17	Megmeet Germany GmbH
18	Megmeet Electrical India Private Limited

S/N	Name of subsidiaries
19	Guangdong Hemi Technology Co., Ltd.
20	Hunan Blue River Valley Technology Co., Ltd.
21	Wuhan Megmeet Electric Co., Ltd.
22	Zhejiang Megmeet Electric Technology Co., Ltd.
23	Shenzhen Megmeet Welding Technology Co., Ltd.
24	Shenzhen Megmeet Welding Software Co., Ltd.
25	Chengdu Megmeet Electric Co., Ltd.
26	Shenzhen Megmeet Energy Technology Co., Ltd.
27	Hangzhou Qianjing Technology Co., Ltd.
28	Zibo Hengwo Electromechanical Technology Co., Ltd.
29	Volgi International Technology Development (Shenzhen) Co., Ltd.
30	Hunan Magu Technology Co., Ltd.
31	Zhejiang Oulide Precision Technology Co., Ltd.
32	Beijing Nuomi Display Electronic Technology Co., Ltd.
33	Guangdong Lizi Micro Electric Technology Co., Ltd.
34	Hangzhou Chenkong Intelligent Control Technology Co., Ltd.
35	Suzhou Zhiwei Precision Drive Control Technology Co., Ltd.
36	Guangdong Maimi Electric Technology Co., Ltd.
37	Guangdong Tianjin Electronic Technology Co., Ltd.
38	Dongguan Yingte Electronic Technology Co., Ltd.
39	Dongguan Kai Li Shi Precision Components Co., Ltd.
40	Guangdong Qunshuo Electronic Technology Co., Ltd.

## Suggestion and Feedback

Dear Reader:  
Greetings!

Thank you very much for reading the Environmental, Social and Governance (ESG) Report of Shenzhen Megmeet Electric Company Limited (the "Company"). In order to provide you and other stakeholders with more valuable information and promote the Company's ability and level of ESG management, we sincerely welcome your comments and suggestions on the Report.



### Feedback Questionnaire

Which of the following stakeholder categories do you belong to?

- Government
  Regulators
  Shareholders and investors
  Customers
  Suppliers and partners  
 Employees
  Community Public
  NGO
  Others

Do you think the report fully meets your expectations of the Company?

- Yes
  No, What else would you like to see?

How clear, accurate and complete do you think the information, data and indicators disclosed in the report are?

- Very good
  Good
  Fair
  Poor
  Very poor

Do you think the organization and layout of the report are pleasing to the eye and easy to read?

- Very good
  Good
  Fair
  Poor
  Very poor

What are your comments and suggestions on the Company's ESG management efforts?

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## **MEGMEET**

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