



Environmental, Social and Governance Report

2025



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About This Report

Report Introduction

This report is the seventh Environmental, Social and Governance (ESG) report released by Guangzhou Shiyuan Electronic Technology Company Limited (hereinafter referred to as “CVTE”, “the Company”, or “we”). Based on the principles of objectivity, fairness, and transparency, this report truly reflects the Company’s management strategies, practices and performance in ESG areas in 2025. It aims to communicate effectively with all stakeholders and respond systematically to their expectations and demands.

Report Scope

This report is an annual report covering the results of the Company’s work on ESG during the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as “during the Reporting Period”, “this year” or “2025”). In order to enhance the comparability of this report, some contents will be extended as appropriate.

The organizational scope of this report is the Company and its subsidiaries within the scope of consolidated statements.

Preparation Basis

Global Reporting Initiative (GRI) *Sustainability Reporting Standards* (GRI Standards 2021)

UN Sustainable Development Goals (SDGs)

International Organization for Standardization’s *ISO 26000: Guidance on Social Responsibility (2010)*

China National Standard *Guidance on Social Responsibility Reporting* (GB/T36001-2015)

Shenzhen Stock Exchange’s *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and *No. 3 Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange - Preparation of Sustainability Report*

Appendix C2 *Environmental, Social and Governance Reporting Code* to the Rules Governing Listing on the Main Board of The Stock Exchange of Hong Kong Limited

International Sustainability Standards Board’s *International Financial Reporting Standards No.2 for Sustainability Disclosure -- Climate-Related Disclosures* (IFRS S2)

Information Source and Description

The data and cases in this report are mainly derived from publicly available government data, internal statistics of the Company, official documents, or third-party reports, and have been reviewed by the relevant authorities. Unless otherwise specified, all currency units mentioned in this report are in RMB.

The Company has commissioned an independent verification of the information and data disclosed in this report by a third-party certification body in accordance with internationally recognized assurance standards, including ISAE 3000. Please refer to Appendix Five, “External Assurance Statement”, in this report for the assurance report.

Important Hint

This report has been reviewed and approved by the Company’s Board of Directors, and no false records, misleading statements, or significant omissions were found.

Report Acquisition

You can download the Chinese and English versions of this report from the official website of CVTE (<http://www.cvte.com/>) and CNINFO (<http://www.cninfo.com.cn/>). If you have any questions or suggestions regarding this report, please send an email to shiyuan@cvte.com, or you can also call 020-32210275.

About CVTE

CVTE, founded in 2005, is a provider of intelligent electronic products and solutions with interactive displays and artificial intelligence as the core. It has always been committed to improving user experience through R&D design and product innovation, and continuously creating value for customers. Since its establishment, the Company has relied on its accumulation of software and hardware technologies in the fields such as display, audio and video, connection, power, and artificial intelligence to carry out technological innovation and product development across various application scenarios, constantly enriched and extended its product lineup, and gradually achieved a leading position in the market segment through its strong product and resource integration capabilities. The Company has also established several well-known industry brands, including Seewo, a provider of digital education tools and services, and MAXHUB, a smart collaboration platform. The Company is a leader in the field of intelligent control, also holding a leading position in the global commercial display industry, particularly establishing a solid market-leading advantage in the interactive intelligent flat panel display (FPD) sector aimed at educational and enterprise service scenarios. Currently, the Company has obtained three national manufacturing single champion recognitions from the China's Ministry of Industry and Information Technology¹. For more information, please see the *2025 Annual Report of Guangzhou Shiyuan Electronic Technology Company Limited*.

¹Guangzhou Shiyuan Electronic Technology Co., Ltd. and Guangzhou Shirui Electronics Co., Ltd. have been recognized as national manufacturing single champions, while the smart conference panels under Guangzhou Shizhen Information Technology Co., Ltd. have been recognized as national manufacturing single champion products.



Chairman's Speech

The year 2025 marked the twentieth anniversary of CVTE and another year in which all CVTE people moved forward with determination amid challenges and kept breaking through amid change. We have consistently strengthened our core competitiveness through technological innovation, fulfilled corporate responsibility during the green transition, and brought together development momentum through collaborative and win-win partnerships.

Standing at this pivotal moment between past and future, and looking back on our development journey, we have remained deeply committed to core fields such as display and electromechanical control, human-computer interaction, and artificial intelligence. From bringing intelligent display technology into countless households to empowering educational informatization and enterprise digital transition and upgrading with interactive intelligent flat panel displays, and further to exploring new tracks such as power electronics, automotive electronics, and robotics, we have always responded to industry needs and contributed to social development through technological innovation.

Every step taken by CVTE depended on the joint efforts of all colleagues, the trust and support of customers and investors around the world, the collaborative progress of upstream and downstream partners across the industrial chain, as well as the care and guidance from all sectors of society. On behalf of the Board of Directors of the Company, I would like to express my sincere gratitude to every companion on this journey!

Making Breakthroughs in Technology and Leading the Future Through Innovation

Real innovation often begins with deep insight into human needs. Amid the vigorous wave of technology, CVTE has always insisted on creating business value for customers through technological innovation. At the same time, we hope to help people better connect the physical and digital worlds through technology so that more people can share the dividends of intelligent development.

Over the past year, the Company's R&D teams achieved a series of important breakthroughs in core technology fields such as artificial intelligence, display technology, audio and video, and robotics. The second-generation wide-viewing-angle display technology significantly improved the viewing experience in smart education scenarios; multimodal fusion technology improved speaker recognition accuracy by 30%, reaching an industry-leading level; industrial-grade quadruped robots and intelligent flexible manipulators were successfully deployed and applied, injecting new momentum into intelligent manufacturing and the development of new quality productive forces. This year, the Company filed more than 1,300 new patent applications and held nearly 11,000 authorized patents in total. The "Key Technologies and Industrialization of Highly Natural Intelligent Interactive Display Terminals" project led by the Company won the First Prize of the Guangdong Provincial Science and Technology Progress Award.

We also clearly recognize that technological innovation must adhere to ethical boundaries. In the R&D and application of AI, we always put data security, algorithmic fairness, and users' rights to know first, ensuring that technological progress continues to evolve in a direction that benefits society.

Green Transition, Protecting Ecosystems of the Planet Through Technology

A reverence for nature is the foundation of sustainable business operations. CVTE believes that technological innovation is an effective way to address climate challenges and achieve green development. We continue to make efforts in energy conservation and emission reduction, clean energy utilization, green product development and circular economy advancement.

Our self-developed energy consumption management platform enables refined energy control and provides data support for energy planning, energy consumption cost analysis, and scientific management decisions; the chiller plant of our Guangzhou intelligent manufacturing factory was recognized as a national "High-efficiency Chiller Plant System" at the leading level, saving approximately 4.4 million kWh of electricity annually, equivalent to a reduction of about 2335 tonnes of carbon emissions; and our photovoltaic power generation systems continued to expand, with annual power generation increasing by 128% year on year. We comprehensively carried out greenhouse gas accounting, scientifically identified climate-related risks and opportunities, and clearly set strategic targets of peaking operational carbon emissions by 2030 and achieving operational carbon neutrality by 2050.

On the product side, 26 interactive intelligent flat panel display products have obtained third-party carbon footprint certification. Environmentally friendly spray-free processes, recycled materials and high-efficiency display technologies have been widely applied. We have seized opportunities in clean technology development and, with residential energy storage inverters as the core, built an energy product system covering multiple tiers and power ranges. For electricity-deficient regions and high-electricity-price markets worldwide, we use product innovation to bring green energy into more homes and improve energy accessibility.

A Shared Ecosystem, Building Development Synergy with Warmth

If you want to go fast, walk alone; and if you want to go far, walk together. Long-term corporate development depends on empowering employee growth, on symbiosis across the industrial chain, and on a strong sense of social responsibility. CVTE has always fostered an open and inclusive mindset to build a multi-party win-win industrial development ecosystem.

In 2025, the Company's brands appeared successively at international industry exhibitions such as InfoComm in the United States and Asia-Pacific and the China Import and Export Fair, enabling Chinese technology to shine on the global stage. In industrial chain collaboration, we practiced the concept of building a responsible supply chain, incorporated ESG standards into the full life-cycle management of suppliers and promoted joint growth with partners. In 2025, we completed on-site assessments of 257 key suppliers and achieved full coverage of supplier code-of-conduct signings. We also actively organized or participated in industry standard-setting, promoting breakthroughs in common industry technologies and industrialization. By the end of 2025, we had cumulatively participated in the formulation of 158 national, industry and group standards.

On the road of fulfilling social responsibilities, we insist on deeply integrating our business expertise with social welfare practice. The "Seewo Public Welfare Activity" has been in place for ten years, adhering to a dual-track public welfare model that combines digital equipment donation with the enhancement of teachers' information-based teaching capabilities, and has implemented effective programs such as the Teache Growth Plan and the Seewo Xingtan Plan. The "Teacher Digital Competence Enhancement Support Program" initiated by us now covers 160 counties designated as key assistance counties for rural revitalization across China, enabling AI technology to truly serve the classroom. To date, the Seewo public welfare programs have benefited over 1.09 million teachers and students. We believe that the meaning of technology lies in giving more people equal opportunities for development.

Standardized Governance, Safeguarding Steady Progress Through Compliance

Sound corporate governance is the cornerstone of sustainable development, and compliant operations are the bottom line for long-term growth. CVTE has always adhered to standardized operations and integrity in business, using governance certainty to respond to market uncertainty.

In 2025, the Shareholders' Meeting, the Board of Directors, and all special committees of the Company operated in a standardized manner and fulfilled their duties. The Company organized a total of 17 meetings during the year and made scientific decisions on key matters such as strategic planning and operating plans, with 100% attendance at Board meetings. We attach great importance to investor rights protection. Since listing, we have distributed cumulative cash dividends of more than RMB 4.3 billion, continued to improve our information disclosure system, and were rated A in the Shenzhen Stock Exchange's information disclosure assessment for five consecutive years, rewarding investors through stable dividends and transparent operations.

As a global technology company, we continue to face severe challenges. Geopolitical uncertainty, supply chain volatility and complex questions of technology ethics all test our responsiveness and sense of responsibility. The greater the challenges, the more firmly we must uphold bottom-line thinking and treat compliant operations, integrity and transparency as unshakable cornerstones. In 2025, we continued to strengthen the risk-control and compliance management system and embedded compliance requirements throughout our business processes, making standardization the Company's strongest moat.

Looking Ahead, Practicing Diligently for Long-Term Progress

At twenty years old, an individual is in the prime of youth, while an enterprise stands at a new starting point for carrying forward the past and setting out again. At this new historical moment, we will continue to stay true to our original aspiration, respond to stakeholder expectations through more practical actions, and move forward with determination on the path of sustainable development.

ESG Governance

CVTE adheres to its corporate mission of “Because of our presence, more people have successful careers and happy lives”, and deeply integrates ESG principles with corporate governance to lay a solid foundation for sustainable development. As a responsible corporate citizen, we benchmark against the United Nations Sustainable Development Goals (SDGs), deeply exploring the impact of our value chain activities on SDGs and the direction of action, focusing on key areas such as green environmental protection, R&D innovation, quality management, customer service, supply chain, employee development, and social welfare, listening to and responding to the concerns of stakeholders regarding the Company’s ESG matters, actively promoting the collaborative development of the upstream and downstream of the industrial chain.



ESG Governance Structure

To ensure the effective deployment and standardized management of ESG work, the Company continuously improves its ESG governance structure, formulates the *Board of Directors Strategy and ESG Committee Meeting Rules*, and strengthens the supervisory management responsibilities of the Board of Directors. At present, the Company has established a governance structure comprising the Board of Directors, the Board Strategy and ESG Committee as the decision-making level, the ESG Management Committee as the management level, and the ESG Execution Team as the execution level, with clear responsibilities and coordinated operations. The Company has incorporated ESG strategic objectives into the performance management system for senior executives.

Sustainability indicators such as product quality and safety, R&D and innovation, and sustainable supply chain management are included in performance appraisal, linking short-term incentives with sustainable development performance targets, and the Company continues to optimize the design and evaluation methods of sustainability indicators in the remuneration evaluation mechanism to ensure that ESG management is deeply integrated with corporate strategy and effectively implemented. In addition, the Company regularly provides dedicated ESG training for the Board to continuously strengthen the capabilities of the decision-making level.

Decision-making Level

The Board of Directors and the Board Strategy and ESG Committee serve as the decision-making level. They are responsible for guiding and reviewing the Company's ESG policies, strategies and targets; overseeing the assessment of ESG-related impacts, risks and opportunities; regularly tracking progress toward relevant targets; and approving the ESG report annually.

Management Level

The Company has established a dedicated ESG Management Committee, composed of the CEO, other relevant members of management and heads of business groups. The Committee is responsible for studying frontier ESG developments and tracking updates to relevant laws and regulations; coordinating planning of ESG management; assessing and managing material topics; reviewing the ESG report and issuing analytical recommendations for the decision-making level; identifying and controlling costs and resources related to sustainable development; and regularly reporting ESG progress and target achievement to the Board by e-mail, meetings and other means.

Execution Level

An ESG Executive Working Group has been set up under the ESG Management Committee. Its members come from relevant functional departments and business groups and are responsible individuals with a thorough understanding of ESG and the Company's business. The Executive Working Group is responsible for executing ESG work, including day-to-day management, data statistics and analysis, the formulation and implementation of stakeholder engagement plans, and preparation of the ESG report, and reports work progress to management through regular meetings.

Communication with Stakeholders

The Company always pays close attention to the core demands of its stakeholders and is committed to building diversified and effective communication mechanisms, fully understanding and actively responding to stakeholder expectations and demands, establishing long-term and stable relationships of mutual trust and cooperation, advancing hand in hand, realizing sustainable corporate development and creating value for all parties.

We systematically sorted out the expectations and demands of our stakeholders, with core communication channels and responses as follows:

Stakeholders	Communication channels	Expectations and demands	Our response
Shareholders and investors	<ul style="list-style-type: none"> Shareholders' meeting Performance briefing/roadshow Company announcement Investor hotline/e-mail Site survey 	<ul style="list-style-type: none"> Sustainable operations Return on investment Technological innovation 	<ul style="list-style-type: none"> Improve governance and ESG strategy Maintain transparent communication, and focus on enhancing operational performance and shareholder returns Increase R&D investment to drive product and technology iteration
Government and regulatory authorities	<ul style="list-style-type: none"> Special meeting or report On-site inspection Official correspondence Policy consultation feedback 	<ul style="list-style-type: none"> Compliance operation Supporting economic development and aligning with national strategies Response to climate change and energy conservation and emission reduction Provide job opportunities 	<ul style="list-style-type: none"> Implement compliance and regulatory policies Carry out business activities to align with industrial and regional economic needs Systematically identify and manage climate-related risks and opportunities Actively assume social responsibilities
Customers	<ul style="list-style-type: none"> Customer satisfaction survey Customer complaints and return visits Offline and online communication platforms 	<ul style="list-style-type: none"> High-quality and reliable products Innovative research and development Customer relations and services Customer privacy and data security Environmental attributes of products 	<ul style="list-style-type: none"> Implement a full life-cycle quality control system Product iteration innovation Provide quality services Strengthen information security and privacy protection management Prioritize environmentally friendly materials and green processes
Suppliers	<ul style="list-style-type: none"> Open tendering Supplier conference Supplier training and empowerment On-site inspection and audit 	<ul style="list-style-type: none"> Mutual benefit and win-win cooperation Honest and transparent commercial cooperation Capability improvement and shared growth Collaborative response to ESG challenges 	<ul style="list-style-type: none"> Establish and implement an open and transparent tendering process Improve the supplier evaluation and management system Supplier empowerment Creating a sustainable supply chain
Employees	<ul style="list-style-type: none"> Union feedback mini-program / mailbox Satisfaction survey Club activities 	<ul style="list-style-type: none"> Healthy working environment Occupational health and safety Competitive compensation and benefits Career development 	<ul style="list-style-type: none"> Create an open, equal, and inclusive work environment, and eliminate discriminatory behavior Improve the occupational health and safety management system Provide market-competitive compensation and benefits Build diverse development channels and training systems
Communities and the public	<ul style="list-style-type: none"> Information disclosure Official website and social media platforms Community activities 	<ul style="list-style-type: none"> Environmental protection Support for rural revitalization Community public welfare and development 	<ul style="list-style-type: none"> Promoting Green Operation Support the development of education informatization Encourage and organize employee participation in volunteer services

Double Materiality Assessment

Assessing materiality issues is an important part of ESG management. Following the guidelines of *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange— Sustainability Report (For Trial Implementation)*, we conducted assessment and analysis of materiality issues regarding sustainability, including a “double materiality” analysis of impact materiality and financial materiality, to define the Company’s ESG priorities and disclosure content.

Materiality Assessment Procedure

① Understand the context of the business activities and relationships of the Company

- Analyze the Company’s internal activities and business relationships, as well as the impacts on sustainable development along the value chain upstream and downstream.
- Understand the external objective environment, including macro policies, regulatory requirements, and industry development trends, and identify potential impacts on the Company.

② Build an ESG issue library

Identify potential materiality issues and establish an ESG issue library following the Shenzhen Stock Exchange and relevant policy guidelines, international standards and initiatives, mainstream international ESG ratings, and industry best practices, combined with the Company’s sustainability planning and the analysis results of past materiality issues.

③ Issue materiality assessment

We conducted a comprehensive analysis of each issue’s impacts, risks, and opportunities to further assess their impact materiality and financial materiality.

• For impact materiality issues:

Using surveys and interviews, we conducted research with internal and external stakeholders. We assessed and analyzed the impact materiality of various issues based on two dimensions: the “severity of impact” (scale, scope, irreversibility) and the “likelihood of impact”. The respondents included company executives, employees, investors, suppliers, customers, media, etc. Based on stakeholder feedback and with reference to internal and external expert opinions, we finalized the impact materiality assessment results for all issues. This year, the Company identified 25 impact materiality issues.

• For financial materiality issues:

Combining internal and external expert opinions, peer practices, and feedback from management and other internal and external stakeholders, we assessed the potential impact of the issues on the Company’s financial performance from two dimensions: “likelihood of financial impact” and “magnitude of financial impact”, across three time horizons: short-term (the next 1–2 years), mid-term (the next 3–5 years), and long-term (the next 6–10 years), to obtain the financial materiality assessment results. In 2025, the Company identified 3 financial materiality issues, namely R&D and innovation, sustainable supply chain management, and product quality and safety. The Company expects that these related issues to remain financially material in the next reporting year.

④ Issue discussion and confirmation

- By integrating both impact and financial materiality results with the Company’s operational and management capabilities, we established thresholds for determining materiality and generated the list of materiality issues.
- The identification and assessment results of materiality issues were disclosed after being reviewed and confirmed by the Company’s Board of Directors.

Materiality Assessment Result Matrix

The materiality issues identified by the Company and the matrix chart are shown in the diagram below. According to the assessment results, we identified the issues with a high degree of financial materiality impact on the Company as R&D and innovation, sustainable supply chain management, and product quality and safety. We will also actively explore methods for assessing the financial materiality issues to better guide relevant management and disclosure work.

Very Material—Having both impact and financial materiality; key focus of management and disclosure			
R&D and Innovation	Sustainable supply chain management	Product quality and safety	
Highly Material—Having a high degree of impact materiality; management and oversight measures must be taken			
Employee compensation and benefits	Electronic waste management	Corporate governance	Clean technology opportunities
Occupational health and safety	Customer services	Data security and privacy protection	Employee training and development
Response to climate change	Business ethics	Risk management	Green products
Energy management			
Generally Material—Having a certain degree of impact materiality; appropriate management and oversight should be conducted			
Emissions management	Diversity, equality, and inclusion	Water Resource Management	Communication with Stakeholders
Rural revitalization	Anti-unfair competition	Technology ethics	Community public welfare
Equal treatment of small and medium-sized enterprises			

Assessment of Impacts, Risks, and Opportunities of Financial Materiality Issues

Financial materiality issues	Impact analysis	Risk analysis	Opportunity analysis	Value chain impact	Time horizon ²	Sections stating management measures
R&D and Innovation	As a tech company, R&D investment directly determines technological barriers, product iteration capabilities, and long-term market competitiveness, making it the Company's core financial driver. Sustained investment is needed for R&D and innovation, especially in developing new technologies and products, which may impact the Company's profit performance in short-term.	<ul style="list-style-type: none"> Technology iteration and obsolescence risk: The technology life cycle in the electronics industry is shortening, and a mismatch between R&D direction and market demand, or misjudgment of the technical route, may lead to sunk costs. High input and output uncertainty risk: frontier technology R&D involves long cycles and heavy capital expenditure, while commercialization prospects may be uncertain, directly affecting profitability and cash flow. Risk of loss of core talent and intellectual property: R&D depends heavily on core talent, and intense competition may push up labor costs or destabilize teams, while inadequate IP protection or litigation may weaken technological barriers. 	<ul style="list-style-type: none"> Open up new high-growth tracks: By seizing the trends of explosive growth in artificial intelligence, robotics, and other terminals, successfully developing innovative products can yield high premiums and market shares, driving structural revenue growth. Build a long-term competitive moat: create patent portfolios and technical standards through continuous R&D to consolidate existing market positions, and acquire sustainable licensing income through technology licensing. Enhance operational and product efficiency: Applying R&D achievements (such as AI algorithms, energy-saving technologies) to internal production and products can enhance production efficiency, reduce unit costs, and strengthen product differentiation competitiveness. 	Company operations Downstream of value chain	Short-term, mid-term, long-term	Innovation-Driven Development
Sustainable supply chain management	The electronics industry has a complex supply chain. Supply stability and cost control directly affect profitability and delivery capability, while ESG compliance risk is increasingly becoming an important factor in financial performance.	<ul style="list-style-type: none"> Concentration and disruption risk: over-reliance on key raw materials from a single region or supplier can easily lead to supply interruptions, cost surges and production stoppages due to geopolitical tensions, trade frictions or natural disasters. Cost fluctuation and transmission risk: Fluctuations in raw material prices directly impact procurement costs and may severely squeeze gross margins if they cannot be transmitted downstream in a timely manner. 	<ul style="list-style-type: none"> Resilient supply chains bring cost and efficiency advantages: diversified procurement, nearshoring layout, and strategic inventory improve resilience of supply chain, reduce supply disruption losses and stabilize delivery cycles, thus enhancing customer stickiness. Digital supply chains achieve cost reduction and efficiency enhancement: Building a digital supply chain platform can optimize inventory levels, reduce warehousing and logistics costs, and improve collaboration efficiency across the chain. 	Upstream of value chain Company operations Downstream of value chain	Short-term, mid-term	Co-Building of Responsible Supply Chain
Product quality and safety	Product quality and safety performance are directly related to corporate reputation, customer trust, and market competitiveness. Once quality issues occur, it will lead to customer loss, market share decline, and may trigger legal lawsuits and compensation, directly impacting the stability of the Company's revenue and profitability.	<ul style="list-style-type: none"> Direct financial loss risk: In the event of quality issues, recalls, returns, repairs, and compensations will incur high direct costs and lead to order cancellations, damaging sales revenue. Market trust and share loss risk: Major quality and safety incidents will severely damage brand reputation, leading to customer loss and market share erosion by competitors, with impacts often being long-term and difficult to repair. Tightening regulation and legal risks: Globally, product quality and safety regulations are becoming increasingly stringent, and non-compliance may lead to product sales bans, hefty fines, and even class-action litigation. 	<ul style="list-style-type: none"> Systematic quality improvement: Establishing and continuously improving a quality management system that meets international standards such as ISO9001 can improve product consistency and reliability. Achieve value chain synergy to reduce costs: Promote supplier quality capability building and unify incoming material standards to reduce quality loss costs across the entire chain and enhance overall operational efficiency. Quality data drives product iteration and innovation: Systematically collecting and analyzing quality data can provide precise feedback to R&D and design phases, becoming a valuable input for continuous improvement and innovation iteration, enhancing customer satisfaction. 	Company operations Downstream of value chain	Short-term, mid-term	Strict Product Quality Control

²Short-term (next 1 - 2 years), mid-term (next 3 - 5 years), long-term (next 6 - 10 years)

01 Environmental

The acceleration of industrialization has made environmental challenges such as climate change, resource depletion, and biodiversity loss increasingly severe, profoundly affecting our shared future. Environmental issues are not merely scientific and policy matters; they are closely related to everyone's quality of life and the foundation of survival for future generations. CVTE understands that environmental protection is not only an important manifestation of corporate responsibility but also an essential path toward sustainable development. In this section, we present the Company's exploration and achievements in energy conservation and emission reduction, green product innovation and circular economy advancement, demonstrating our commitment and concrete actions toward a greener future.



Response to Climate Change

Climate change is one of the most pressing global challenges of our time. More frequent extreme weather events and macro-environmental changes pose potential risks to the Company's operations. CVTE attaches great importance to climate issues, has established a systematic governance structure and management strategy, continues to strengthen climate risk identification and management capabilities, and has comprehensively carried out greenhouse gas accounting in order to actively respond to climate-related challenges and opportunities.

Governance

The Company incorporates climate issues into its overall ESG governance system and has established a climate governance structure with the Board of Directors as the highest governing body, promoting supervision and implementation from top to bottom. For details, please refer to the section "ESG Governance" of this report.

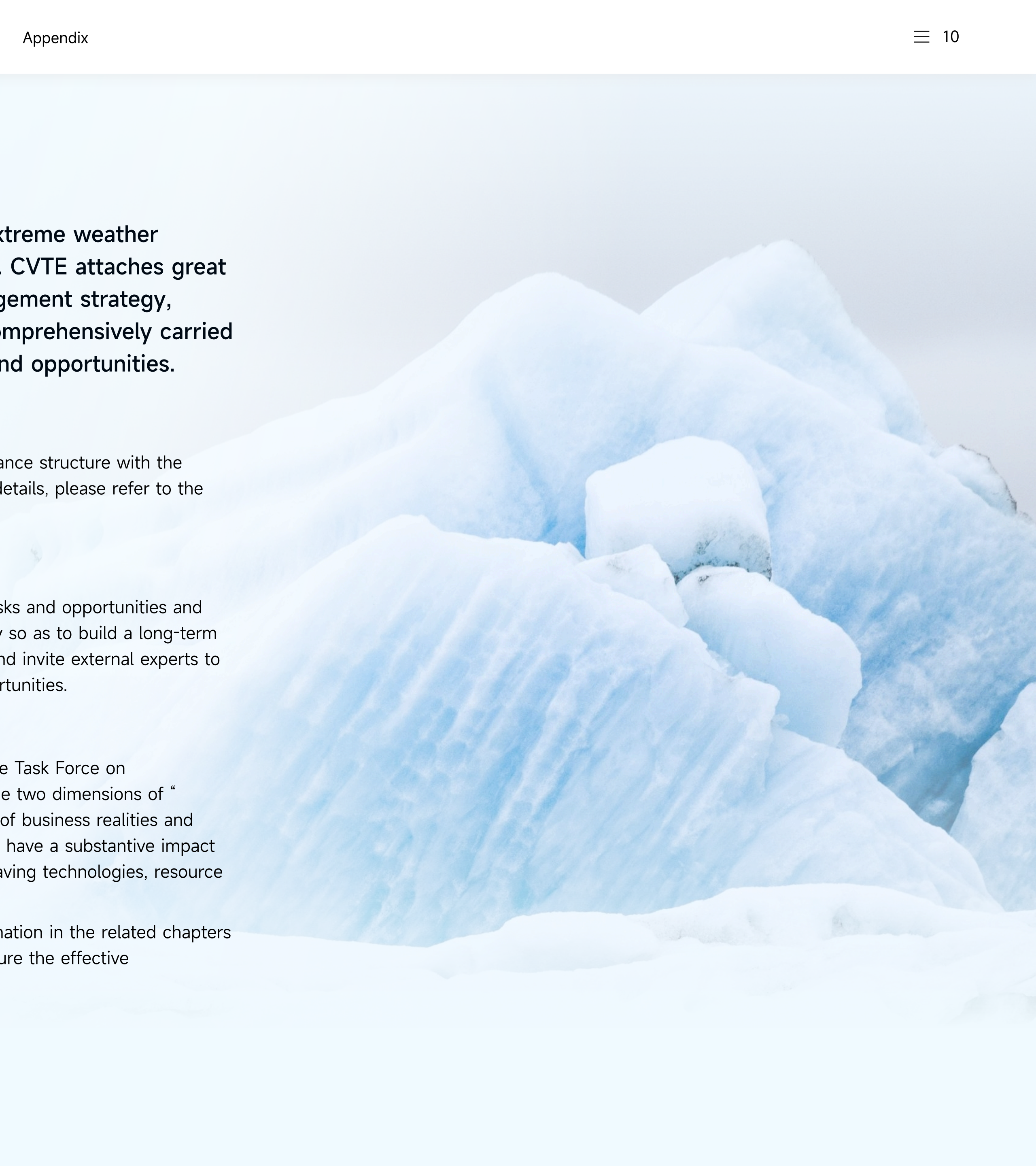
Strategy

We have established a systematic climate response strategy. By identifying, assessing and prioritizing climate-related risks and opportunities and by using climate scenario analysis tools, we continuously assess the Company's climate resilience and adaptive capacity so as to build a long-term response mechanism. At the same time, we regularly provide climate-related training for the Board and management and invite external experts to share their insights, enhancing management's professional ability to respond to climate risks and capture relevant opportunities.

Identification, Assessment and Prioritization of Climate Risks and Opportunities

To improve management efficiency and resource allocation accuracy, and with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we identified more than 10 climate-related risks and opportunities from the two dimensions of "likelihood of occurrence" and "extent of impact", and conducted systematic assessment and materiality ranking in light of business realities and expert opinions. On this basis, we focused on selecting four categories of climate transition risks and opportunities that have a substantive impact on the Company, including more stringent low-carbon transition policies, the development of low-carbon and energy-saving technologies, resource efficiency improvements, and innovative products and services.

Through in-depth analysis of the above key risks and opportunities, the Company would further disclose relevant information in the related chapters of this report and formulate targeted transition plans. In the future, we will continue to invest relevant resources to ensure the effective implementation of transition measures, strengthen climate resilience, and seize sustainable development opportunities.



Scenario Analysis of Climate Risks and Opportunities

Under the guidance of the TCFD framework, we use climate scenario analysis methods to assess the potential impact of identified major climate risks and opportunities on the Company’s business, finances, and value chain under different temperature rise scenarios, thereby assessing the Company’s climate adaptability and resilience and providing a scientific basis for formulating forward-looking and targeted management strategies.

Dimension	High-emissions scenario	Low-emissions scenario
Reference model	IPCC representative concentration pathway (RCP) SSP5-8.5 scenario	IEA2050 Net Zero Emissions Scenario (NZE)
Temperature increase	Above 3 °C	Below 1.5 °C
Scenario description	Global greenhouse gas emissions continue to rise, and by the end of the 21st century (2081-2100), global surface temperature is likely to increase by 3.3 °C–5.7 °C compared with 1850–1900.	The world achieves net-zero emissions by 2050 and keeps average temperature rise below 1.5 °C compared with the pre-industrial level.
Key assumptions	<ul style="list-style-type: none"> Surface temperature: Significant changes in annual average surface temperatures in the regions where the Company operates, with more days of high and low temperatures. Sea levels continue to rise. 	<ul style="list-style-type: none"> Macro policies: major global economies announce their carbon-neutrality pathways, including China’s proposed strategy of “peaking carbon emissions by 2030 and achieving carbon neutrality by 2060”. Energy utilization: Energy efficiency improves significantly and coal and other high-carbon fossil fuels are gradually phased out.
Application of the scenario	This scenario features the loosest policy regulation. However, as global temperature rises and extreme weather days, precipitation changes and sea-level rise intensify, enterprises face increased physical risks; therefore, physical risks are analyzed under this scenario.	This scenario features the strictest policy regulation, close global cooperation, lower clean-energy technology costs through technological change and growth in green markets. Enterprises face the highest level of transition risk; therefore, transition risks and opportunities are analyzed under this scenario.

Assessment of climate-related risk impacts under the high-emissions scenario

Risk Type	Risk Description	Potential Impact		Likelihood of Occurrence	Impact Level	Impact Period ³	Response Measures
		Business Model and Value Chain	Finance				
Physical risk	Increased severity of extreme weather events (such as typhoons, heavy rains, etc.)	The Company’s main offices are located in the coastal region of South China (Guangdong), which is vulnerable to extreme weather impacts such as typhoons and heavy rainfall in summer, possibly leading to infrastructure damage, logistics interruptions, and production halts, thereby affecting the stable supply of products and services.	<ul style="list-style-type: none"> Asset impairment Decrease in revenue Increase in operating costs 	Medium-high	Moderate	Short-term, mid-term, and long-term	<ul style="list-style-type: none"> Emergency management: Develop and regularly update emergency plans for extreme weather, and conduct regular drills and training. Supply chain resilience: Plan diversified transportation options and dynamically adjust logistics based on meteorological warnings; establish alternative supply mechanisms and safety inventories for critical materials. Production continuity: Improve capacity allocation mechanisms among different plants to reduce the risk of production shutdown at a single base.
	Rising global average temperatures	Increased cooling demand at the Company’s operating sites (especially in production and data centers), will raise energy consumption and operating costs; prolonged high temperatures may also increase health risks such as heatstroke among employees, affecting attendance and production efficiency.	<ul style="list-style-type: none"> Increase in operating costs 	Medium	Relatively high	Short-term and long-term	<ul style="list-style-type: none"> Green buildings and park design: Prioritize natural ventilation, shading, and other designs in new or renovated buildings to reduce reliance on cooling. Refined energy management: Deploy an energy management system (EMS) for real-time monitoring and optimization of energy use, ensuring efficient energy utilization; install solar PV panels to power cooling and ventilation equipment with renewable energy, reducing dependence on traditional energy sources. Employee care: Improve protection and health monitoring systems for high-temperature operations, and reasonably schedule outdoor work hours.

³The time frame in which climate events impact the Company’s finances and operations is divided into: short-term (next 1-2 years), mid-term (next 3-5 years), and long-term (next 6-10 years).

Assessment of climate-related risks and opportunities under the low-emissions scenario

Risk/Opportunity Type	Risk/Opportunity Description	Potential Impact		Likelihood of Occurrence	Impact Level	Impact Period	Response Measures
		Business Model and Value Chain	Finance				
Transition risks	Policy and market changes	<ul style="list-style-type: none"> Rising compliance costs: As China's "dual carbon" goals are gradually implemented, various regions have proposed clear development plans regarding energy structure, low-carbon transition, and energy conservation, which may require increased investments in technology upgrades and operations to meet compliance requirements. Internalizing carbon costs: With the gradual popularization of the carbon trading market and adjustments to government carbon quota systems, if the Company is included in the carbon trading market, it will need to purchase quotas, which may raise operating costs. 	Increase in operating costs	High	Relatively high	Short-term and long-term	<ul style="list-style-type: none"> Closely monitor policy changes in operational locations and strengthen communication and contact with regulators. Continuously monitor carbon emissions and forecast future trends so that carbon management strategies can be adjusted in a timely manner.
	Risk of low-carbon technology iteration	<ul style="list-style-type: none"> Competitive disadvantage: lagging R&D and application of low-carbon and energy-saving technologies may weaken product market competitiveness. R&D investment risk: Low-carbon technology pathways involve uncertainty and R&D may fail to meet expectations. 	<ul style="list-style-type: none"> Decrease in revenue Increase in R&D expenses 	Medium	Moderate	Short-term and long-term	<ul style="list-style-type: none"> Conduct research on technology roadmaps and perform life-cycle cost-benefit analysis. Develop phased, adjustable transition implementation paths to control investment risks.
Climate opportunity	Innovative products and services	Under the trend of sustainable development, public preferences for green products and services are gradually increasing. The Company can expand its market share by developing green and low-carbon products.	Increase in revenue	High	Relatively high	Short-term and long-term	<ul style="list-style-type: none"> Develop low-energy-consumption and highly durable electronic products to meet consumers' demand for environmentally-friendly products and enhance competitiveness. Increase investment in businesses with direct green and environmentally friendly attributes, such as energy storage and other power electronics, LED displays, and the recycling of electronic products, and other energy transition-related products and solutions, and explore new markets. Consider the recyclability of materials during the product design phase and promote the use of recyclable materials
	Improved resource efficiency	Applying energy-saving technologies, purchasing green electricity, generating renewable electricity on-site, and recycling and reusing resources can improve resource utilization efficiency, reduce resource consumption and waste generation during production and lower operating costs.	Decrease in operating costs	Medium	Relatively high	Mid-term	<ul style="list-style-type: none"> Adopt advanced manufacturing techniques and processes to improve production efficiency and reduce resource waste. Deploy energy-saving equipment and renewable energy systems (such as solar PV panels) to reduce reliance on traditional energy sources.

Risk Management

To effectively address the potential risks brought by climate change, we have established a management process covering “identification-assessment-response-monitoring”. This process is intended to fully assess climate impacts, regularly monitor and assess the implementation of risk management measures, dynamically optimize control strategies and continuously improve the Company’s ability to prevent and control climate change risks.

Risk identification

From the two dimensions of physical risk and transition risk, systematically identify potential impacts of extreme weather on operations and supply chains, technology and cost pressures brought by low-carbon transition, as well as legal risks related to environmental compliance, thereby forming a climate risk list.

Risk assessment

Based on the results of risk identification, a combination of qualitative and quantitative methods is used to assess the likelihood of occurrence, impact level, and the effectiveness of existing control measures. Professional models and data analysis are used to provide decision-making basis for risk prioritization and resource allocation.

Risk response

Develop special emergency plans for key climate risks and establish a full-process response mechanism covering prior warning, in-process response, and post-event recovery to ensure rapid action and effective control of losses and impacts when risks occur.

Risk monitoring

Establish a routine climate risk monitoring mechanism, regularly track the implementation of risk management measures, monitor the trend of key climate risk factor changes based on data monitoring and indicator systems, and regularly assess the effectiveness and adaptability of control measures.

Metrics and Targets

With reference to standards such as the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (GHG Protocol) and *ISO 14064-1 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*, and using the operational control approach, the Company defined the organizational boundary for its 2025 greenhouse gas inventory and comprehensively carried out greenhouse gas emissions accounting. An independent third-party assurance body was engaged for verification to ensure the scientific rigor and accuracy of the data.

Types of greenhouse gases

In accordance with the GHG Protocol and with reference to the latest IPCC assessment reports, the greenhouse gas inventory covered carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride.

Greenhouse gas emission scopes

Scope 1: Direct greenhouse gas emissions

Direct greenhouse gas emissions include combustion emissions from fixed sources, mobile source combustion emissions, and fugitive emissions within the organizational boundary. The fixed source combustion emissions within the Company’s boundary include emissions from natural gas usage and diesel generators; mobile source combustion emissions include gasoline and diesel usage from owned vehicles; fugitive emissions include emissions from the use of fire extinguishers, refrigerants in air conditioning, and septic tanks.

Scope 2: Indirect greenhouse gas emissions from energy input

The purchased energy consumed within the Company’s operational areas represents indirect emissions of energy input, primarily including purchased electricity.

Scope 3: Other indirect greenhouse gas emissions

Indirect emissions originating from the upstream and downstream activities of the Company’s value chain. A total of 10 categories were identified and accounted for, of which the categories disclosed in this report include: Category 2 capital goods, Category 3 fuel- and energy-related activities, Category 5 waste generated in operations, Category 6 business travel, and Category 7 employee commuting.

CVTE 2025 Greenhouse Gas Emissions

Categories of greenhouse gas emissions	Unit	Data
Scope 1: Direct greenhouse gas emissions	Tonnes of carbon dioxide equivalent (tCO ₂ e)	2,670.31
Scope 2: Indirect greenhouse gas emissions (location-based)	Tonnes of carbon dioxide equivalent (tCO ₂ e)	38,422.90
Greenhouse gas emission intensity (Scope 1 + Scope 2)	Tonnes of carbon dioxide equivalent (tCO ₂ e)/ RMB 10,000 revenue	0.0169
Scope 2: Indirect greenhouse gas emissions (Market-Based)	Tonnes of carbon dioxide equivalent (tCO ₂ e)	44,143.61
Greenhouse gas emission intensity (Scope 1 + Scope 2)	Tonnes of carbon dioxide equivalent (tCO ₂ e)/ RMB 10,000 revenue	0.0192
Scope 3: Other indirect greenhouse gas emissions	Tonnes of carbon dioxide equivalent (tCO ₂ e)	57,664.39

Management objectives

In active response to China’s strategic plan of “peaking carbon emissions by 2030 and achieving carbon neutrality by 2060”, and based on the characteristics of our own business operations and resource conditions, we have set scientific and reasonable climate strategic targets. We expect to reach peak of operational carbon emissions by 2030 and achieve operational carbon neutrality by 2050. At the same time, we will link climate-related indicators with management performance to mobilize initiative in energy saving and carbon reduction and to promote the achievement of our emission reduction targets.

Promoting Green Operation

CVTE upholds the philosophy of resource conservation and environmental friendliness, continuously enhancing its management of energy and water resources, strictly controlling pollutant emissions, and actively fostering green office environments. Through concrete actions, we are committed to protecting the natural ecosystem. During the Reporting Period, the Company did not incur any administrative penalties or criminal liabilities related to environmental issues from ecological or environmental authorities, nor were there any significant sudden environmental incidents.

Environmental Management System

The Company strictly adheres to laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Appraisal*, as well as industry environmental standards. We consistently promote the identification of key environmental factors and environmental risk assessments during our operations, continuously strengthening the scientific soundness and effectiveness of our environmental management system. The Company's Board of Directors is responsible for the strategic management and oversight of environmental-related work, with the administrative center leading the environmental management departments across various businesses, incorporating environmental performance into the assessment system to ensure that environmental responsibilities are implemented at all levels and management objectives and targets are effectively achieved.

This year, we conducted an annual audit based on the ISO14001:2015 environmental management system certification standard and requirements. The audit results showed that the ISO 14001:2015 environmental management systems of more than ten core subsidiaries, including Shirui Electronics, Shikun Electronics, Shizhen Information and Shiyuan Innovation, continued to operate effectively. As of the end of the Reporting Period, the ISO14001:2015 environmental management system certification covered the major business operational sites of the Company.

To effectively respond to sudden environmental incidents and minimize their negative impacts, the Company strictly follows relevant laws and regulations, has established a risk assessment, monitoring, and prevention mechanism for environmental incidents, formulated emergency plans for sudden environmental incidents, regularly organized emergency drills for environmental incidents, and continuously standardized and improve emergency response and corrective actions for environmental incidents. The Company's EHS engineers are responsible for environmental management and for identifying and assessing environmental incident risks.



ISO 14001:2015 Environmental Management System Certification

Energy Management

Adhering to the philosophy of ‘improving energy utilization efficiency and ensuring rational use of renewable resources’, the Company strictly follows the *Law of the People’s Republic of China on Energy Conservation* and other laws and regulations, has developed internal systems such as the *Resource and Energy Management Specification*, established an energy-saving leadership group headed by the general manager to identify opportunities for improving energy performance, and to adopted diverse energy-saving technologies and management measures to enhance energy efficiency and accelerate the green low-carbon transition. This year, we also conducted an annual review based on the ISO50001 energy management system certification standard and requirements. Upon review, it was confirmed that the ISO50001 energy management system of the relevant operating entities of the Company continues to operate effectively.

CVTE’s Energy Consumption from 2023 to 2025⁴

Energy consumption metrics	Unit	2023	2024	2025
Direct energy consumption	Tonnes of standard coal equivalent (tce)	1,013.52	620.20	632.41
	Thousand kWh	8,246.74	5,046.35	5,145.69
Indirect energy consumption	Tonnes of standard coal equivalent (tce)	4,481.31	8,647.16	9,089.78
	Thousand kWh	36,463.06	70,359.34	73,960.80
Comprehensive energy consumption	Tonnes of standard coal equivalent (tce)	5,494.83	9,267.36	9,722.19
	Thousand kWh	44,709.80	75,405.69	79,106.49
Comprehensive energy consumption intensity	Tonnes of standard coal equivalent (tce)/RMB 10,000 revenue	0.0027	0.0041	0.0040
	Thousand kWh/RMB 10,000 revenue	0.0222	0.0337	0.0325

⁴Calculated using the conversion factors from the General Rules for Calculation of the Comprehensive Energy Consumption issued by the State Administration for Market Regulation of China

Empowered by technology upgrading to improve energy utilization efficiency

The Company continues to tap the potential for energy conservation and consumption reduction through technology and management. By formulating scientific and reasonable operating strategies, we reduce energy consumption and greenhouse gas emissions in park operation and manufacturing, laying a solid foundation for green development.

Energy consumption management platform for refined control

Through remote meters and transmission systems, the energy consumption management platform automatically collects various energy consumption data such as electricity, gas, water, heating and cooling, and environmental quality parameters, uploads them to the data center and achieves full-process information-based and intelligent management functions including online monitoring and statistical analysis. This energy consumption management platform has been built and put into use across all parks of the Company, enabling apportioned and refined management of energy consumption data, assisting administrative personnel to accurately grasp project energy consumption trends, key indicators, and refined apportion data, and providing robust data support for energy planning, energy consumption cost analysis, and scientific management decision-making.



High-efficiency plant room construction to create a benchmark for chiller system energy efficiency

The high-efficiency plant room is an air-conditioning chiller plant built under the premise of meeting end cooling load requirements, comprehensively taking core factors such as load matching and system energy usage rationality in account, and through optimized control methods and personnel management systems, to achieve high energy efficiency operation. The chiller plant of the Company's intelligent manufacturing factory uses variable-frequency centrifugal chillers, variable-frequency pumps and other energy-saving equipment, with a stable system COP above 5.0 during daily operation. Compared with conventional chiller plants, the annual electricity savings amount to approximately 4,400 kWh, equivalent to a reduction of carbon emissions by about 2,335 tonnes of CO₂ equivalent. In 2025, the chiller plant of the Company's intelligent manufacturing factory passed national certification and was recognized as a "High-efficiency Chiller Plant System" at the "Leading" energy efficiency level, setting a benchmark for cooling-system energy efficiency in the industry.



Other energy-saving and efficiency-enhancing practices in the intelligent manufacturing plant

In response to the high energy consumption challenges commonly faced in intelligent manufacturing, the Company focuses on key energy consumption units such as automated production lines, environmental control, and infrastructure, systematically promoting technological upgrades and energy efficiency optimization to facilitate green transition of production operations.

The Company was the first to introduce and deploy an online automatic aging system with efficient energy recovery capabilities in the intelligent manufacturing plant, achieving an energy recovery rate of 60%. This system has been put into operation across multiple production lines, saving approximately 1,260 kWh per day under full load conditions, and effectively reducing the overall energy consumption during testing and aging processes.

Additionally, in 2025, the Company implemented a series of specialized energy-saving modifications around key energy-consuming areas such as air conditioning systems, fans, and water pumps. By technological means such as replacing high-efficiency equipment, adding variable frequency devices, and optimizing operational logic, significant improvements in energy efficiency have been achieved while ensuring production continuity and environmental standards. Preliminary estimates indicate that the cumulative electricity savings from the annual modification projects amount to approximately 930,000 kWh, equivalent to a reduction of carbon emissions by about 493 tonnes of CO₂ equivalent, effectively promoting the factory's operations towards lower carbon and sustainable directions.

Centralized control system aids in energy conservation and consumption reduction

In terms of park operations, the Company relied on its own IT capabilities to build an energy consumption centralized control system. Through intelligent technologies, it centrally controls lighting, air conditioning, digital signage, and other equipment across all industrial parks, with scheduled on/off settings to realize refined management of electricity consumption and effectively reduce operating costs.

Promoting renewable energy and accelerating energy structure transition

Renewable energy is the core energy form driving sustainable development and a key direction for the future optimization and upgrading of energy structure. The Company continues to promote renewable energy substitution programs by deploying photovoltaic power generation systems in all operations to convert solar energy into clean electricity. At the same time, it rationally utilizes natural gas as a low-carbon transitional energy source, gradually reducing dependence on traditional fossil fuels such as coal and steadily advancing its energy structure transition.

Currently, the Company's photovoltaic power generation systems have been deployed in the Guangzhou Fifth Industrial Park, Xi'an Industrial Park, and Hefei Industrial Park, achieving a total power generation of 1.5467 million kWh by 2025, with a year-on-year growth of 128%, surpassing the set annual growth target of over 100%; the energy consumption value of natural gas is approximately 4.29 million kWh. Together, these account for 7.38% of the Company's overall energy consumption, achieving further breakthroughs in energy structure optimization.

In the future, the Company will continue to increase investments in the clean energy sector, accelerating the construction of a low-carbon and environmentally friendly energy use system, contributing corporate power to global energy transition and ecological environmental protection.

Water Stewardship

Following the scientific management principle of “balancing supply with demand and acting according to water availability”, the Company integrates rational water use throughout day-to-day production and operations. To effectively strengthen water stewardship and improve water resource utilization efficiency, the Company has established a water-saving leadership group headed by the senior manager to coordinate the deployment and implementation of water-saving work across the Company, ensuring the sustainable use of water resources.

The Company’s water supply is reliably sourced from the municipal water system, so there is no issue of water shortage. Water use in park operations mainly covers core areas such as landscaping irrigation, canteen operations, data center operations, and air conditioning system operations, with clear usage scenarios and orderly control.

CVTE Water Usage from 2023 to 2025

Water use metrics	Unit	2023	2024	2025
Water consumption	Tonnes	396,293.00	458,598.52	435,168.72
Water consumption intensity	Tonnes/RMB 10,000 revenue	0.1965	0.2047	0.1787

To identify opportunities for water efficiency improvements and practice water-saving principles, the Company has taken multiple measures to promote water-saving efforts, and actively implement R&D work that supports water stewardship. For instance, by constructing a standardized rainwater collection system, rainwater is collected and treated for special use in park landscaping irrigation, effectively reducing reliance on traditional municipal water sources and achieving diversified supply and recycling of water resources. In 2025, the Company’s Fifth Industrial Park achieved a total rainwater recovery of 1,749 tonnes through the rainwater collection system, providing significant support for landscaping irrigation in the park. Additionally, the Company actively promoted the application of advanced water-saving technologies and devices, such as replacing water-saving fixtures and deploying intelligent irrigation systems, continuously optimizing water resource utilization efficiency and reducing water resource consumption at the source. In 2025, the Company set and achieved a target of reducing water consumption intensity by 10% per RMB 10,000 revenue, with an actual reduction of 12.72%.

In the future, the Company will continue to increase investments in the water-saving field, constantly exploring innovative water-saving technologies and management models, and continuously enhancing the level of refined control over water resources.

Management of Three Wastes

The Company strictly adheres to relevant environmental protection laws and regulations such as the *Environmental Protection Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People’s Republic of China on the Prevention and Control of Water Pollution*. In light of the actual conditions of its operating sites, the Company has formulated internal management documents such as the *Three Wastes Management System*, *Chemical Management Specification*, and *Environmental Safety Monitoring and Measurement Procedure*, continuously strengthening standardized control over waste and emissions, steadily advancing environmental pollution prevention and control and actively carrying out biodiversity protection activities to help improve the ecological environment.

Solid waste management

The Company has established a comprehensive solid waste management system covering pollution prevention and process control, and has standardized the collection, storage, transfer, disposal and emergency management of waste so as to minimize the impact of solid waste on the ecological environment.

For general solid waste, the Company implements collection by category and standardized storage, and entrusts qualified third-party recyclers for compliant recovery and disposal; household waste is regularly collected and centrally treated by local sanitation departments. For industrial hazardous waste, the Company strictly adheres to relevant regulations on solid waste management, regularly completes waste transfer application procedures on the Guangdong Province Solid Waste Management Information Platform, tracks the entire transfer process, and entrusts specialized agencies qualified for hazardous waste disposal for standardized disposal, ensuring legality and compliance throughout the process.

In 2025, the Company has set targets for solid waste management and achieved them: all waste was disposed of legally and in compliance, with a disposal compliance rate of 100%.

CVTE 2025 Waste Emissions

Metric	Unit	2025
Total amount of general solid waste - Disposal method: Recycling	Tonnes	94.66
General solid waste emission density	Tonnes/RMB million revenue	0.0039
Total amount of hazardous waste - Disposal method: recycling, incineration, physicochemical treatment	Tonnes	194.30
Hazardous waste emission density	Tonnes/RMB million revenue	0.0080

Effluent management

The effluent generated during the Company's operations mainly includes domestic sewage from parks, which is managed by category and treated by grade. Domestic sewage is pre-treated in septic tanks and then uniformly discharged into the municipal sewer network only after water quality meets the required standards, ensuring safe and compliant effluent management across the entire chain. All major operational sites of the Company have obtained valid *Permit for Urban Sewage to be Discharged into the Drainage Pipe Network*. This year, the domestic sewage generated within the Company's operational scope amounts to 391,651.85 tonnes⁵, achieving 100% compliant discharge.



Permit for Urban Sewage to be Discharged into the Drainage Pipe Network

Waste gas management

Strictly following relevant standards for waste gas pollution prevention and control, the Company implemented comprehensive emission control for various waste gases generated during park operations, and established strict waste gas treatment procedures to ensure that waste gases are purified and meet standards before discharge, eliminating atmospheric pollution. The waste gases generated during operations of the Company primarily include: sulfur oxides (SOx) and nitrogen oxides (NOx) emitted from the combustion of fossil fuels during park operations, as well as volatile organic compounds (VOCs) produced during the manufacturing processes of the intelligent manufacturing plant in the Fifth Industrial Park. The Company has introduced RCO waste gas treatment facilities in the intelligent manufacturing plant, which can efficiently decompose hazardous substances in organic waste gases at relatively low temperatures, and raise the organic waste gas treatment capacity to 95,000 m³ per hour, further strengthening the waste gas purification effect.

CVTE 2025 Waste Gas Emissions

Metrics	Unit	2025
VOCs	Kg	1,155
NOx	Kg	475.93
SOx	Kg	1.39

⁵The domestic sewage discharge volume is estimated based on the Company's annual water consumption multiplied by the discharge coefficient 0.9.

Creating Green Products

CVTE is committed to creating product solutions that are more beneficial to the environment and society and strives to reduce the carbon footprint across the full life cycle of its products. Following national standards such as GB/T 33761 *General Principles for Green Product Assessment*, we have formulated and implemented internal specifications related to green product design, including the *Green Product Environmental Management Procedure* and the *Environmental Control Specification for Product Design and Development*. At key stages such as product design and manufacturing, we prioritize the use of environmentally friendly materials, strictly control the content of hazardous substances, promote material recycling and improve material utilization efficiency; at the same time, we optimize product energy efficiency through technological innovation to reduce energy consumption during usage and lessen environmental burdens.

R&D and Application of Green Products

Environmentally friendly materials

We attach importance to the research and development of environmentally friendly materials. For the PC/ABS materials used in the Company's main products such as interactive intelligent flat panel display (FPD) and other intelligent terminals, we have carried out innovative iterations in frontier fields such as spray-free green manufacturing, high stability and circular regeneration, effectively reducing environmental pollution and resource consumption in production.

1. Spray-free materials: We have developed specialized spray-free PC/ABS materials for structural components. By precisely regulating color powder, a metallic paint visual effect can be achieved, allowing the housing to meet high-end appearance standards immediately after injection molding and eliminating the conventional painting process, thereby avoiding VOC pollution at the source.
2. High stability materials: We have innovatively developed halogen-free PC/ABS materials with high resistance to heat and humidity. Through molecular-level neutralization modification, these materials effectively inhibit the release of acidic substances from traditional halogen-free flame retardants in hot and humid environments, reduce catalytic degradation of PC molecular chains, significantly improve terminal product durability and reliability, and ensure long-term stable operation.
3. Recyclable materials: We have successfully developed high-quality PC/ABS alloy materials using PCR (post-consumer recycled) PC substrates, achieving high-value recycling of plastic resources without compromising core product performance.

Product energy efficiency

In the field of display technology, we continues to promote energy conservation and efficiency improvement along with process breakthroughs. In 2025, we successfully developed ultra-high transmittance LCD glass, which improves optical transmittance by 20% compared to conventional solutions. Together with a customized high-luminous-efficiency LED backlight system, this achieved a 15% improvement in energy efficiency, significantly reducing total power consumption while maintaining the same or even better brightness.

Green packaging

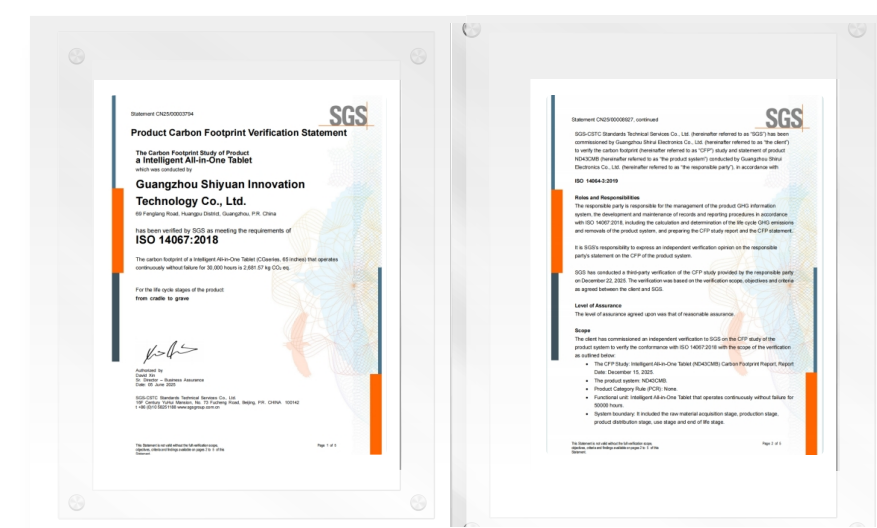
Packaging is an important part of green product development. We have formulated the *CVTE Packaging Structure Design Specification*, clarifying design requirements and material selection standards for product packaging to ensure that packaging materials comply with relevant laws and regulations and recommended national/industry standards and meet environmental testing requirements, and to build a green packaging system focused on “reduction-recycling -regeneration”. We continue to promote packaging reduction, environmental friendliness, and transportation intensification to effectively reduce the environmental impact of the packaging process.

1. Material substitution: With environmental friendliness and biodegradability as the core principles, and following sufficient research and validation, we have introduced paper-plastic packaging as a full substitute for traditional packaging. Paper-plastic materials are made primarily from recycled paper pulp and are environmentally friendly throughout the production and disposal processes. They also possess good cushioning protection characteristics, effectively ensuring the safety of product transportation. For example, with the mass-produced desktop chassis for computing products, we estimate a reduction of 160 to 240 tonnes of traditional plastic foam packaging materials annually.
2. Packaging optimization: We have reduced the width of product packaging boxes from 225 mm to 185 mm, optimizing the size of packaging boxes to further enhance the loading capacity of individual standard containers or trucks, directly lowering the average warehousing and transportation costs per unit product while effectively reducing carbon emissions in the supply chain.

Product carbon footprint and environmental labels

Based on international standards such as ISO 14067, the Company actively carried out product life-cycle carbon footprint accounting and certification to assess, in a transparent and quantitative manner, the potential climate and environmental impacts of products from raw material acquisition, manufacturing and transportation to use and disposal, thereby promoting product carbon reduction. In 2025, 26 interactive intelligent flat panel display products of the Company passed third-party carbon footprint certification, covering the main product lines of this category.

In addition, the Company's core products such as interactive intelligent flat panel displays have obtained multiple authoritative environmental label certifications both domestically and internationally, including the China Environmental Labeling Certification (Ten-Ring Certification), China Energy Conservation Certification Mark, China Energy Efficiency Label (Level 1, Level 2), and EnergyStar. In 2025, the revenue from intelligent terminal and application business segments centered on interactive intelligent flat panel display products accounted for 47.57% of the Company's total operating revenue.



Example of Product Carbon Footprint Certification

Management of Hazardous Substances in Product Materials

The Company continues to improve the hazardous substance management system for product materials, has established an environmental management working group and built the CGPM green product management system, integrating hazardous substance control into the full product life cycle, and strictly controlling potentially hazardous substances in products so as to ensure that the content of hazardous substances in production materials, processes, and final products complies with laws and regulations as well as customer requirements, meeting increasingly stringent environmental control standards.

Hazardous substance control system

The Company strictly follows relevant environmental protection laws and regulations in China and the EU, including the *Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH Regulation), the *Restriction of Hazardous Substances in Electrical and Electronic Equipment* (RoHS Directive), and the *Waste From Electrical and Electronic Equipment* (WEEE), while also considering the hazardous substance restrictions proposed by customers. The Company continuously revises internal systems such as the *Hazardous Substance Management Specification* to and incorporates relevant hazardous chemical substances in the restriction scope.

By integrating industry standards and the latest legal requirements, we have fully embedded applicable environmental/health standards into the product R&D design, material procurement, manufacturing, and shipping processes, continuously strengthening the ability to control hazardous substances throughout the product lifecycle. By the end of 2025, the Company has explicitly prohibited the use of various hazardous substances, including tetrabromobisphenol A, hexabromocyclododecane, chlorinated paraffin, polychlorinated phenols and their derivatives (PCP), and has clearly stipulated the specific control requirements for 69 restricted substances in products, 18 restricted substances in packaging materials, and 12 declarable substances.

We also continued to promote the establishment of hazardous chemical substance management systems across our subsidiaries and production lines, ensuring that the requirements for controlling hazardous substances are implemented. During the Reporting Period, major business subsidiaries such as Shirui Electronics, Shiyuan Ruichuang, and Shizhen Information have passed the hazardous substance process management system QC 080000 certification, and their main products have been tested and verified for compliance with EU RoHS, REACH, PFOA standards.

Substitution and reduction of hazardous substances

The Company continues to move towards the goal of Hazardous Substance Free (HSF), formulates plans for hazardous substance reduction, proactively seeks environmentally friendly substitute materials, and reduces and gradually eliminates the use of hazardous substances. According to IEC61249-2-21:2003, the Company actively advocates the use of halogen-free materials (only using chlorine and bromine compounds) to reduce product reliance on halogen flame retardants. In addition, all products sold by the Company currently meet lead-free standards and we fully implement the requirements for reducing hazardous substances.

Collaborative management and control of hazardous substances with suppliers

Efficient control for the use of hazardous substances by suppliers is a crucial part of the Company's efforts to achieve HSF goals. To urge suppliers to effectively carry out hazardous substance management, the Company has formulated and strictly implemented the *Supplier Lifecycle Environmental Management Specification*, integrating environmental control requirements into the entire lifecycle management of suppliers. The Company explicitly states that parts (including materials, parts, and components) provided by suppliers must meet the Company's hazardous chemical substance control standards, and has signed cooperation agreements with all suppliers that include quality assurance and hazardous substance management clauses, clarifying control requirements and strengthening suppliers' primary responsibilities.

During the supplier sourcing phase, we assign environmental engineers to conduct comprehensive audits and evaluations of suppliers' hazardous substance management measures to ensure that hazardous substance control is implemented in the procurement process. For instance, in terms of environmental quality and safety risk management throughout the material lifecycle, we implement full-process control during the sourcing, material number application, PAP transition to trial production (PART APPROVAL PROCESS material acknowledgment process), and PAP transition to mass production phases to prevent environmental risks from the source.

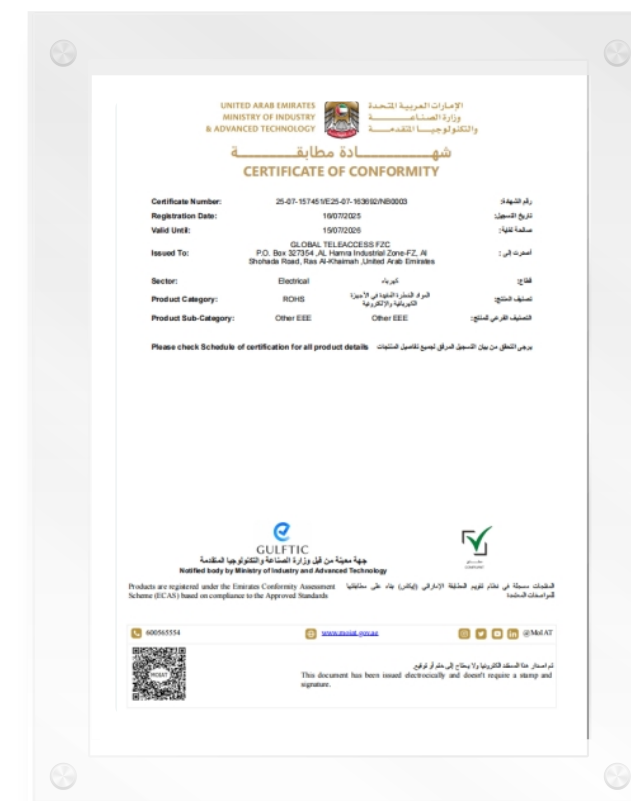
In supplier lifecycle management, we list environmental requirements as a quality management red line, resolutely refusing to cooperate with suppliers that do not meet environmental policy requirements. During cooperation, if a supplier is found not to meet environmental requirements and does not cooperate with correction, we immediately cancel their supplier qualification and blacklist them, ensuring compliance with hazardous substance control throughout the entire supply chain.



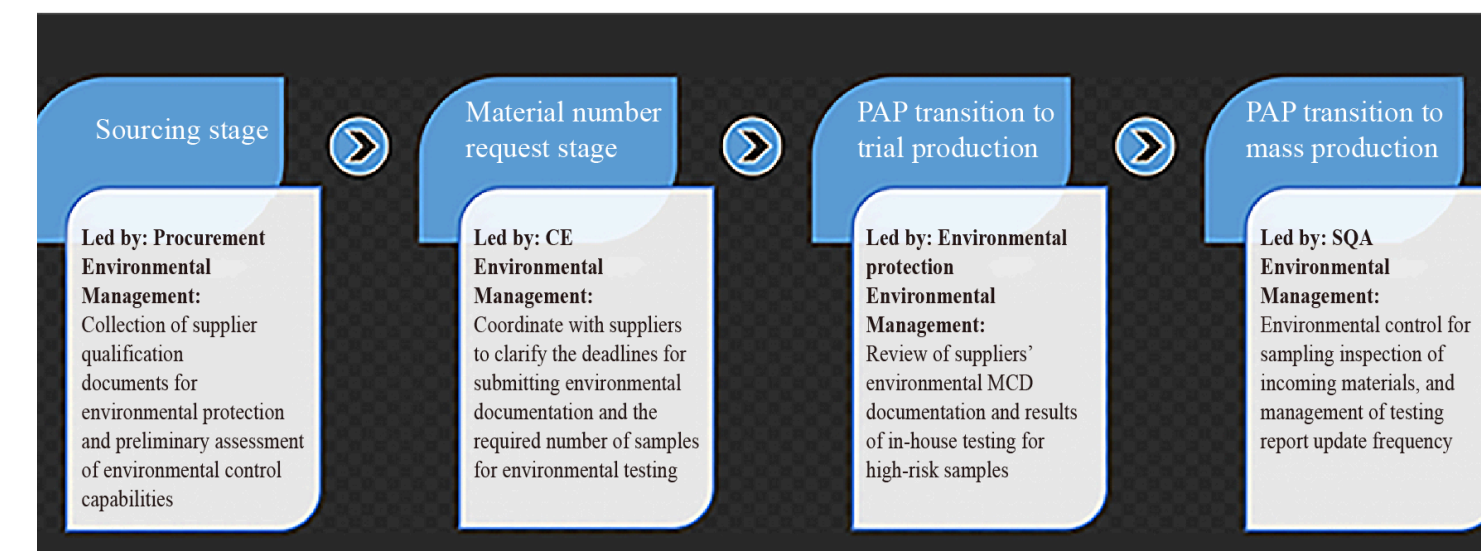
QC080000 Hazardous Substance Process Management



RoHS Verification Report



UAE-Recognized RoHS Verification Report



Measures for Hazardous Substance Use Management Across the Material Lifecycle

Power Electronics Business

Power electronics technology is a key force in driving energy transition and intelligent development, and is also an important business layout for the Company to practice green development concepts and support the realization of “dual carbon” goals. Relying on deep technological accumulation in core components, we continue increasing strategic investment in the power electronics business, focusing on a core product matrix of residential energy storage inverters and guided by the mission of “Leading with Technology, Ensuring Quality, Making Electricity Use Worry-Free”, so as to provide global users with efficient, reliable, intelligent and environmentally friendly energy solutions.

To address the differences in energy accessibility, electricity price structures, and electricity demands in different global markets, we have built a multi-level, multi-power energy product system through scenario-based innovation, including solar energy storage inverters, UPS products, charging module products, and more. In regional market expansion, we adhere to a product strategy tailored to local conditions. For electricity-deficient regions in the Middle East, Asia and Africa, we provide off-grid residential energy storage inverters to help households achieve stable electricity use; For high-electricity-price markets in Europe, we have develop hybrid grid-connected / off-grid inverters to assist users in enhancing energy self-sufficiency and cost-effectiveness; we have also completed preliminary product layouts in the Americas, continuously promoting the synergistic optimization of energy efficiency and economic benefits.

The Company always regards technological innovation and quality assurance as the cornerstone of product development, deeply cultivating core technologies in power electronics. By continuously optimizing MPPT algorithms and maximum power point tracking technologies, we have significantly improved the conversion efficiency of photovoltaic energy; simultaneously, we have systematically strengthened aspects such as device selection and reliability design, effectively reducing product failure rates and extending service life, safeguarding users’ energy security and usage experience with outstanding quality.



02 Social

In today's wave of globalization and digitalization, social issues are becoming increasingly complex. From employee well-being to community development, from social equity to public welfare, every issue is tied to the shared destiny of humanity. Upholding the philosophy of "people-oriented", CVTE is dedicated to creating greater value for customers, employees, communities, and society at large through innovation and practice. In this Social Part, we will showcase the Company's proactive efforts in research and development, product quality management, customer responsibility, employee care, and social contributions, conveying our vision and commitment for a better society.



Innovation-Driven Development

Innovation is an inexhaustible driving force behind sustainable growth for enterprises. As a technology enterprise, the Company adheres to a development philosophy of “technology as the guide and innovation as the driving force”, has established an innovation governance structure with the Board as the highest decision-making body and the Chief Technology Officer leading execution, and focuses on breakthroughs in key core technologies and their industrialized applications so as to achieve the strategic goal of coordinated development in technological leadership, product innovation, and industrial upgrading.

In 2025

RMB 1.602 Billion

R&D Investment

4.01%

YoY Increase

6.58%

Of Operating Revenue

By the end of the Reporting Period

3730

Technical Personnel

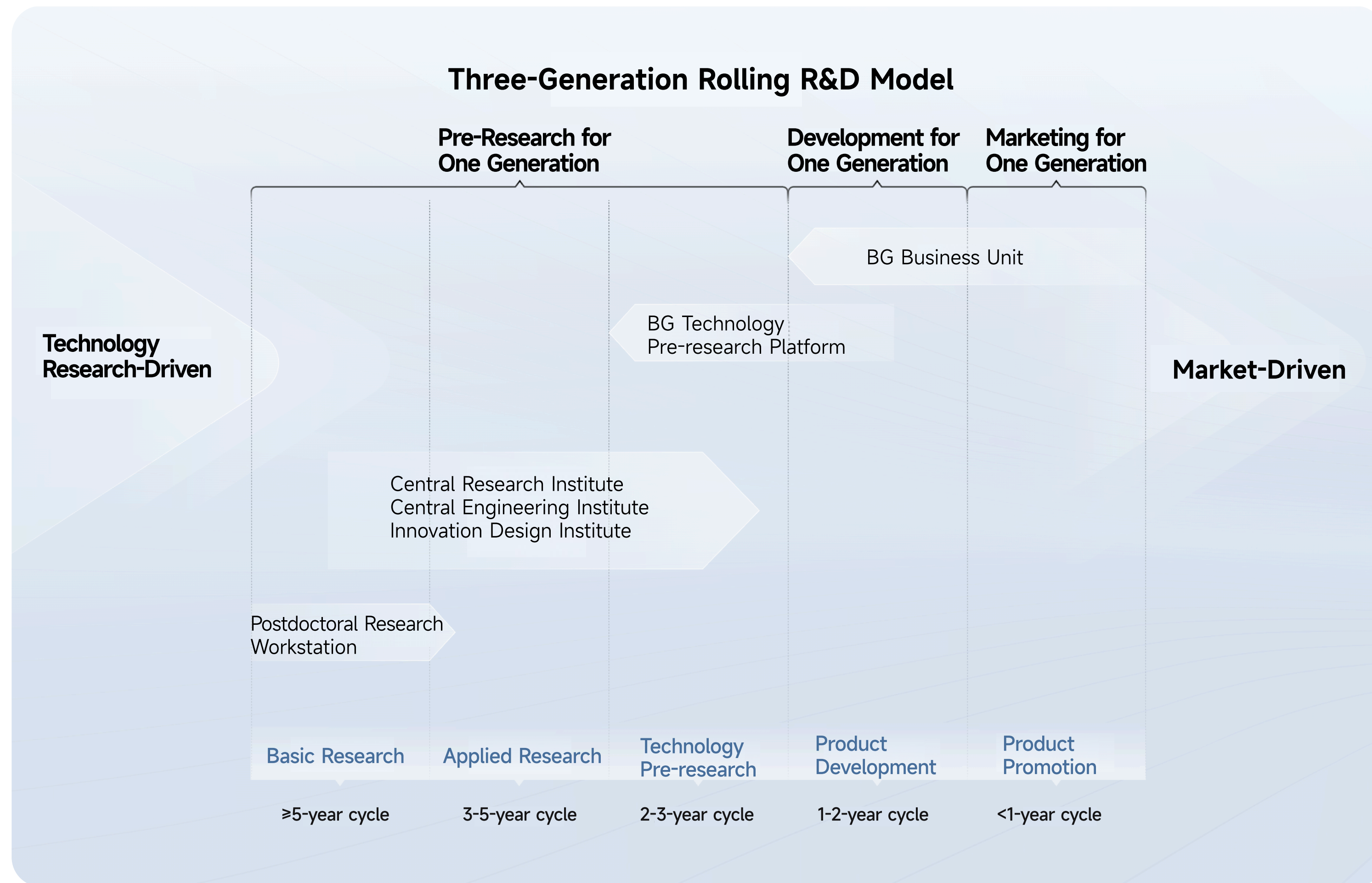
Approx. 55.47%

Of Total Employees

R&D System Development

Guided by market demand and technological development trends, the Company has established a comprehensive innovation and research system to ensure precise implementation of research directions and forward-looking planning. Focusing on core fields of technology, the Company has established specialized subcommittees for display, audio, video, connectivity, and intelligence. These subcommittees are responsible for mid-to-long-term planning and preliminary research in their respective fields, promoting cross-organizational collaboration and the transformation of results, thereby building a competitive edge in technology. The Company has established “Three Institutes and One Workstation”, including a Central Research Institute, a Central Engineering Institute, an Innovation Design Institute, and a Postdoctoral Research Workstation, gathering hundreds of experienced experts and PhDs from both domestic and international backgrounds. Among them, the Central Research Institute focuses on cutting-edge basic research and applicability research such as multimodal large models and visual computing, the Central Engineering Institute focuses on advanced engineering technologies in materials and optics, the Innovation Design Institute drives product design innovation centered on user experience, and the Postdoctoral Research Workstation serves as a platform for cultivating high-level talents and industry-leading technological innovations.

In terms of R&D system construction, the Company has deeply integrated CMMI (Capability Maturity Model Integration) and DFSS (Design for Six Sigma) methodologies, relying on the IPD (Integrated Product Development) framework to achieve cross-business group collaborative innovation, and established a three-generation rolling R&D mechanism of “pre-research for one generation, development for one generation, and marketing for one generation”, creating a seamless innovation chain from basic research to product commercialization. The Company actively promotes digital transition, integrating cutting-edge technologies such as artificial intelligence and big data into R&D management processes, establishes a data platform to integrate key R&D indicators, and creates a monitoring and analysis system to drive dynamic resource allocation and optimize project management. To ensure the efficient operation of the R&D and innovation system, the Company adopts a holistic planning, specialized development, and iterative evolution approach. It also regularly conducts technology roadmap and organizational efficiency assessments to continuously improve the R&D system.



R&D and Innovation Achievements

Focusing on the two core technological foundations of artificial intelligence and interactive display, in 2025, the Company continued to explore related fields of technology R&D, breaking through multiple industry technological bottlenecks, and delivering a series of R&D achievements with core competitiveness, laying a technological foundation for creating innovative and high-quality products. Selected R&D achievements are outlined below:

Display Technology: Breakthroughs in Second-Generation Wide-Viewing-Angle Technology, Empowering Smart Education Scenarios

The Company continues to deepen R&D in display technology, focusing on core user needs and promoting technological iteration. We have achieved key technological breakthroughs in the field of wide-viewing-angle display, balancing performance enhancement, process simplification, and cost optimization to meet multi-scenario application needs.

Our developed second-generation wide-viewing-angle display technology combines a wide-viewing-angle microstructure with traditional backlight systems. Through the combination design of "wide-viewing-angle microstructure + diffusion film + prism film", we create a composite film material that simultaneously possesses the three functions of wide viewing angle, diffusion, and brightness enhancement, achieving significant breakthroughs in core technical indicators. One third of the central brightness angle can reach over 120 degrees, effectively improving display clarity under different lighting conditions and angles. In addition, compared to the first-generation wide-viewing-angle technology, this technology significantly reduces process complexity and has strong cost advantages. Currently, this technology has been primarily applied in smart education scenarios, which can effectively optimize wide-viewing-angle brightness performance in strong sunlight reflection environments, address the pain point of students being unable to see the screen clearly in different scenarios, and assist the upgrade of smart education experiences.

Touch Technology: Breakthroughs in Multi-ID Interaction and Low Latency, Optimizing Intelligent Terminal Experience

Against the background of increasingly homogeneous basic functions of interactive large-screen intelligent terminals, the application of capacitive interactive pens is becoming increasingly widespread, with the expansion of rich interaction methods being an urgent industry need. Limited by technical bottlenecks such as pen shape, interactive functions like simultaneous writing by two people and freely switching between different colors have always been industry challenges.

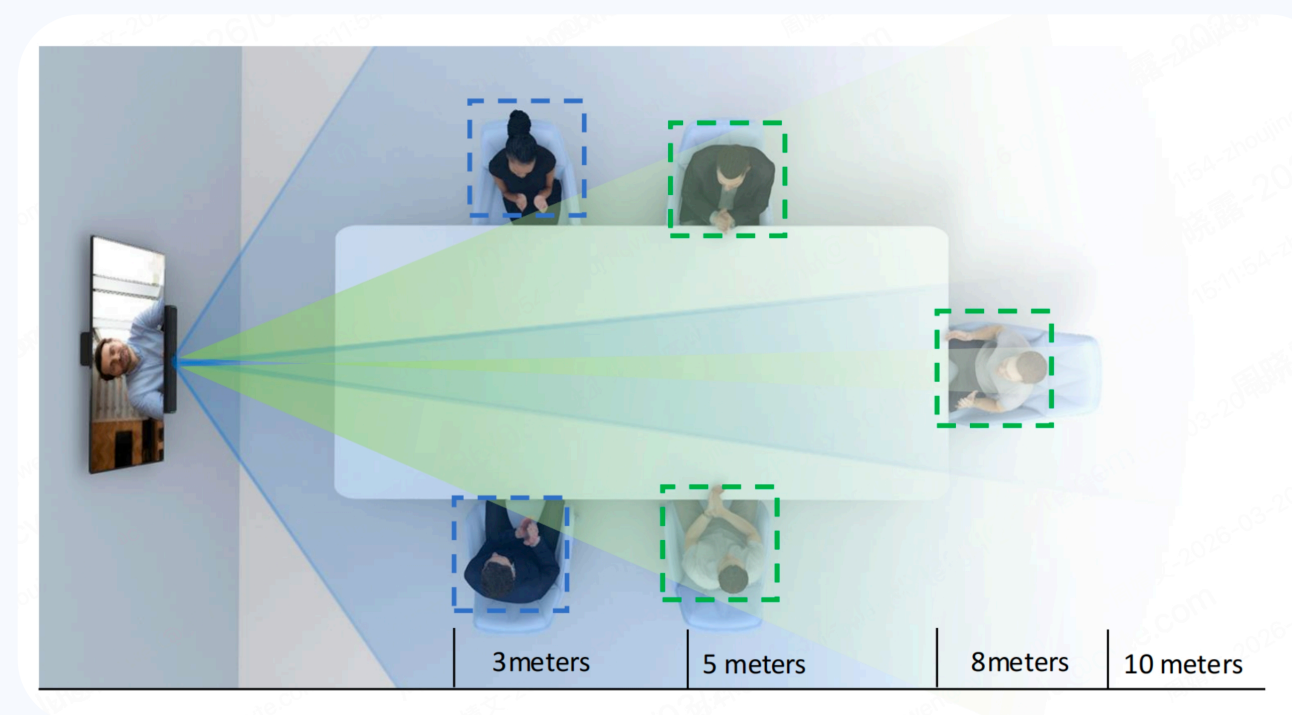
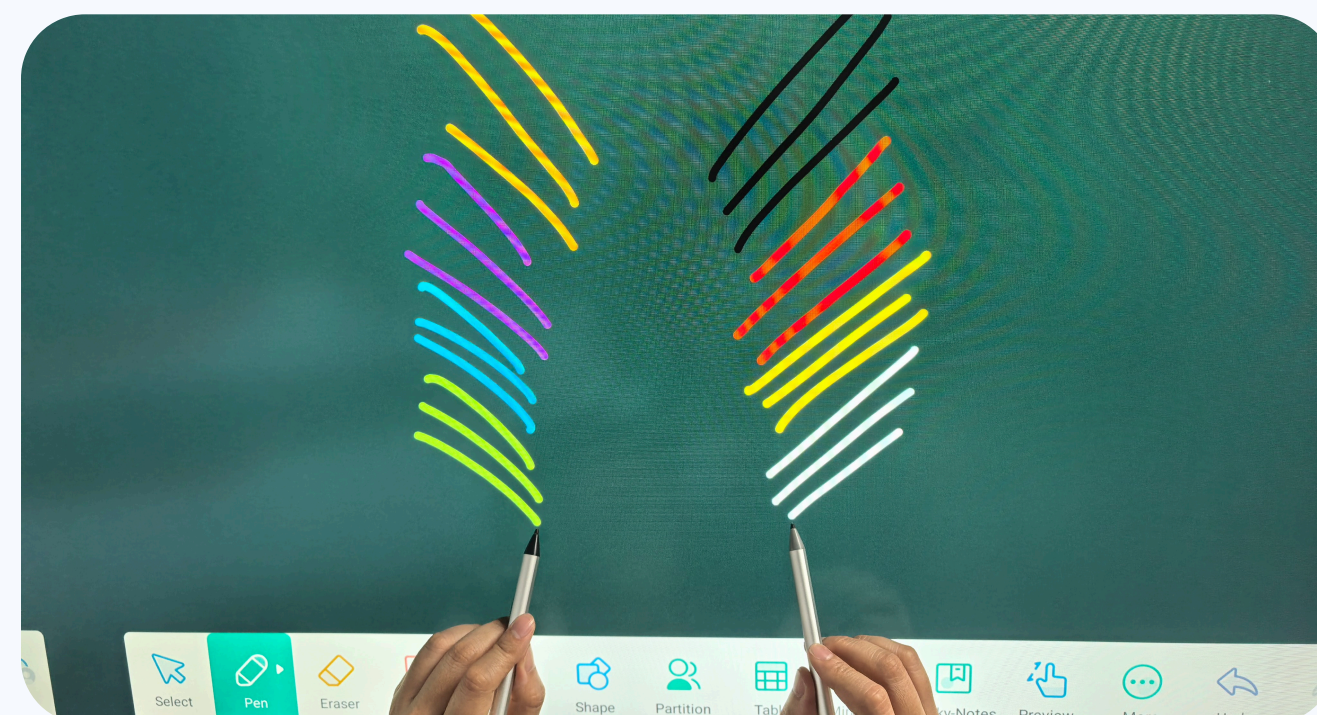
The Company delves into typical interactive scenarios like teaching and meetings. We have conducted targeted technical research and achieved industry innovation solutions supporting free switching of four IDs on a single pen, simultaneous eight-ID writing with two pens and eight-color recognition, creating the first application case of multi-ID interaction technology, significantly enhancing user experience.

To meet the demands for immediacy and smoothness in intelligent terminal interaction experiences, the Company focuses on the key indicator of writing link latency, and collaborates with well-known industry enterprises for Windows writing link special tackling, introducing a low-latency solution under Windows mode. Compared to traditional methods, writing link latency is reduced by more than 16 ms, providing users with a smoother writing experience and offering a reference technical path for breaking through industry barriers.

Audio and Video Technology: Multi-Modal Fusion + Hybrid Zoom, Leading a New Benchmark in Intelligent Interaction

The multi-modal fusion technology independently developed by the Company has become the core engine for breaking interaction bottlenecks. This technology deeply integrates visual, auditory, and other multi-source perception data, improving speaker recognition accuracy by 30% through precise algorithms, reaching an industry-leading level. In professional meeting scenarios, through the deep integration of sound source localization and visual tracking, it achieves precise automatic tracking of speakers; combined with semantic understanding and screen content analysis, it can automatically output high-value AI meeting minutes. Relying on full-scene perception fusion capabilities, this technology significantly reduces user cognitive load, creating a natural, smooth, and highly certain new smart interaction experience, continuously leading the industry technical benchmark.

In terms of hybrid zoom technology, the Company has pioneeringly introduced a new optical form that combines image stitching with long and short focus, focusing on the ultimate visual experience, tackling industry-level technical challenges such as seamless video stitching and smooth switching between long and short focus, breaking the traditional physical limitations of single-camera perspectives and clarity. In practical applications, the system achieves a "clear at both long and short distances" effect through multi-lens coordinated operation, allowing for a comprehensive view while capturing minute details. In large video conferences, it can accurately lock in close-ups of speakers without distortion; in educational classroom observations, it can balance the dynamics of the whole class and students' expressions. This innovation not only eliminates the sense of disconnection during image scaling but also empowers multi-dimensional interactive scenarios with deep optical technology foundations, continuously defining a new standard for industry image capture.



Robots:

Industrial-Grade Equipment R&D Implementation, Supporting the Development of New-Quality Productive Forces

The Company positions robot R&D as a cutting-edge technology layout, focusing on scenarios such as industrial inspection and flexible production. We are primarily engaged in the R&D of industrial-grade quadruped robots and intelligent flexible manipulators, cultivating new growth momentum for the future.

Targeting high-risk and low-efficiency scenarios such as industrial and power inspections, the Company focuses on breaking through key technologies of the robot body, conducting special R&D on quadruped robots in aspects like load capacity, endurance performance, and reliability, enhancing the continuous operation and reliability of robots in complex environments, and promoting the application of intelligent inspection equipment in industrial scenarios. Currently, the quadruped robot can achieve long-range walking under a load of 40 kg, with a maximum standing load of 150 kg, and related products have been delivered to customers.

The Company also develops intelligent flexible manipulators aimed at specifically addressing the core pain points of traditional industrial robots and new embodied research arms. It has now entered mass production, forming a complete set of embodied implementation solutions from data collection, labeling, model training and deployment to whole machine execution, boasting advantages such as low-cost data collection and native AI adaptation. It can be applied in research and education, flexible intelligent manufacturing, and other scenarios, such as empowering 3C electronic assembly and harness plugging, which traditional rigid robots find difficult to handle in unstructured, fine-motion scenarios, aiding the intelligent upgrade of the manufacturing industry.



Quadruped Robot



Intelligent Flexible Manipulator



Certificate of Guangdong Province Science and Technology Progress Award

Won the First Prize in Guangdong Province Science and Technology Progress Award

In November 2025, the People's Government of Guangdong Province announced the list of winners of the 2024 Science and Technology Award. The project "Key Technologies and Industrialization of Highly Natural Intelligent Interactive Display Terminals", led by CVTE, won the First Prize in Guangdong Province Science and Technology Progress Award.

This project focuses on the development direction of the next generation of human-computer interaction, addressing the limitations of traditional devices in interaction fluency, intelligence, and emotional feedback, focusing on the three major stages of "perception, cognition, execution," achieving important breakthroughs in key technologies such as ultra-low-latency writing and touch, multi-modal emotional computing and intent understanding, and adaptive display enhancement, significantly improving the naturalness, fluency of interaction, and the smart decision-making level of the device. Currently, the technological achievements have been scaled up in the Company's core business areas such as educational informatization and corporate meeting collaboration, significantly enhancing the competitiveness of related products.

Innovation Incentives and Innovation Atmosphere Building

To stimulate employees' enthusiasm for innovation, we have built a systematic innovation mechanism from institutional guarantees to atmosphere creation, fully encouraging employees to explore boldly and innovate, promoting comprehensive organizational innovation. The Company has formulated and implemented the *Academic Award Measures*, clarifying the scope of academic achievements eligible for rewards, applicable objects, application conditions, evaluation criteria, and implementation details, and, adhering to the principles of openness, fairness, and justice, focusing on incentivizing individuals and teams that have made outstanding contributions in technological innovation, to fully mobilize the creative enthusiasm of all employees, and promote the cultivation and output of landmark innovative achievements.

Innovation for Efficiency and Effectiveness⁶

The Company regularly conducts innovation project selection activities, and encourages all employees to actively participate in various innovative practices that can enhance organizational efficiency and create business benefits, covering various professional fields including technology, process manufacturing, product quality, and management, thus fully stimulating each individual's innovative thinking and creative vitality.

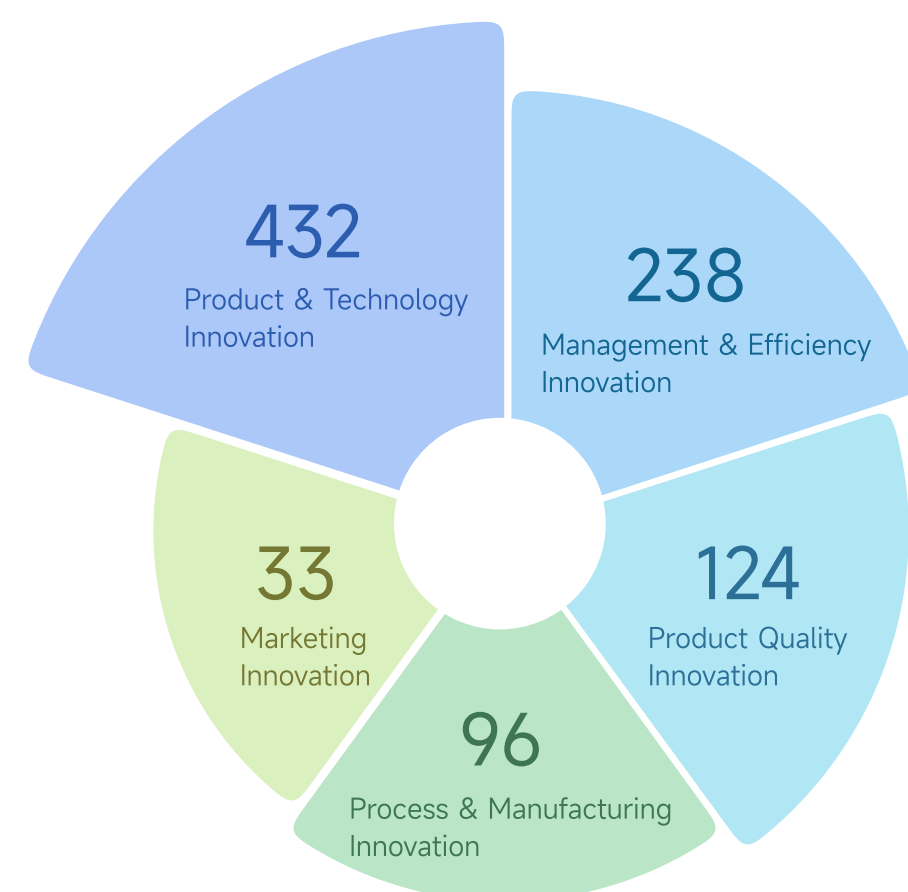
In 2025, the Company further iterated and optimized the project selection mechanism,

923

Project Submissions in the Year for
"Innovation for Efficiency and Effectiveness"

1,458

Participants



2025 Innovation Project Submission Status

Patent technology award

To foster a virtuous cycle of "Innovation - Protection - Commercialization - Value Creation", strengthen intellectual property protection efforts, and promote the industrial application of innovative outcomes, the Company regularly conducts patent technology awards. The award system covers seven categories, including invention patents, utility model patents, and design patents, spanning the entire process from patent application to conversion. It implements precise rewards based on patent technology quality and business empowerment value, reinforcing intellectual property protection while promoting the efficient transition of innovative achievements into industrial value, establishing a virtuous ecosystem of "incentivizing innovation, protecting achievements, and empowering development".

Annual Patent Award: Focusing on four core technology areas: algorithms, software, electronics, and structures, while also including dimensions such as design innovation and active patent atmosphere cultivation, rewarding outstanding inventors. In 2025, the Company awarded nearly 300 individuals in the annual patent award.

Quarterly Patent Award: To strengthen the incentive throughout the innovation process, the Company established a quarterly patent award, dynamically tracking invention patents (applications, authorizations), utility models, and design licensing each quarter, evaluating based on the implementation of patents in actual business, and rewarding individuals who have made practical contributions. In 2025, the Company's quarterly patent awards have cumulatively incentivized nearly 1,700 participants.



Annual Patent Award Activity

Innovation atmosphere building

An innovation atmosphere is a key driving force behind technological innovation. The Company strives to create a technical culture of "overcoming difficulties and innovating for breakthroughs" through systematic and regular technical activities, building a technical atmosphere brand "Geek", while stimulating internal innovation vitality, promoting knowledge flow and experience sharing. In 2025, "Geek share" conducted over a hundred technical sharing activities and internal course exchanges.

Since 2017, the Company has annually organized hardware and software technology days, establishing it as an important internal technical exchange platform. In 2025, the technology day activities showcased 80 innovative projects. Among them, the hardware technology exhibition covers five major technical areas: hardware, power, electronics, structures, and PCB; while the software technology exhibition, themed "Deep AI Innovation, Coding the Future," showcased self-developed manipulator factory dexterous operation solutions "embodied operation", as well as over 50 technological achievements like "Campus Smart Security · AI Personnel Tracking". Through technology day activities, not only has the Company comprehensively presented its technological accumulation and breakthroughs in the hardware and software fields, but it has also engaged in in-depth discussions with industry experts on cutting-edge technology development trends, effectively building a bridge for internal and external technical communication, further stimulating the innovative vitality of all employees, and continuously strengthening the Company's technological innovation ecosystem.



Hardware and Software Technology Day Activity

⁶Previously known as "Innovation Award" and "Micro Innovation"

Ethical Management for Artificial Intelligence

Artificial Intelligence (AI) technology is reshaping various industries at an unprecedented speed, with technology companies playing a critical role in this transition. As an industry-leading technology enterprise, we always adhere to the principles of safe and responsible use of AI technology, placing technology ethics in a crucial position in corporate development, establishing and implementing a comprehensive system of technology ethics norms in software development, hardware design and manufacturing processes, AI algorithms, and other technological activities.

We strictly control technology ethics review work, and establish a systematic review mechanism led and supervised by the Chief Technology Officer, Chief Risk Officer, and Chief Product Officer. Through continuous review and improvement combining internal and external aspects, we are committed to promoting the coordinated development of technological innovation and ethical construction, fulfilling the social responsibilities that a technology enterprise should bear. During the Reporting Period, the Company did not have any violations of technology ethics.

Regarding the review mechanism, we have implemented:

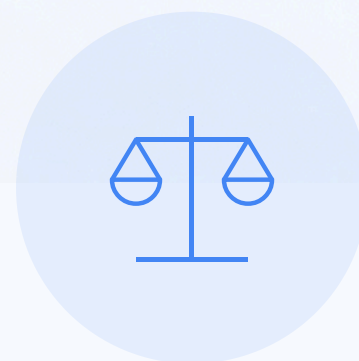
- **Quarterly safety assessment:** covering the legality of training data, compliance of generated content, and analysis of user feedback.
- **Major update review:** any algorithm model architecture adjustments or new feature launches must be approved by the review committee beforehand.
- **Annual external testing:** engaging third-party authoritative organizations (e.g., local bureaus of industry and information technology) to conduct offensive and defensive drills to test data security.

The ethical norms for technology that we follow primarily include:



Content Security Governance

We are committed to ensuring that the content provided to users does not contain any information that violates socialist core values, laws and regulations, commercial ethics, or infringes on personal privacy. By deploying a keyword interception library covering all statutory risk categories and various technical means, we have achieved effective interception of illegal content. At the same time, we have established a sound testing acceptance and release system, requiring that all algorithms and services undergo comprehensive security risk assessments before being presented to users; we have also set up illegal content retraining mechanisms, user feedback channels, and daily inspection systems to continuously optimize content governance capabilities, achieving dynamic control and timely iteration of security risks.



Fairness and Non-Discrimination

We attach great importance to fairness and non-discrimination principles in our products and services, striving to make technology benefit every user. To ensure that users in different regions enjoy equal service experiences, we provide edge deployment solutions for smart campus products in remote mountainous areas with limited network conditions, ensuring that local students can also receive quality smart education services. At the same time, we actively carry out customized R&D for specific groups, practicing the principles of technological inclusivity and equality.



Transparency

Transparency is the cornerstone of our trust with users. We clearly and comprehensively disclose to users the technical principles of products, service capabilities and limitations, scope of permissions, and data usage terms, ensuring the understandability and transparency of user service agreements. Whenever product updates involve changes to terms, we will notify users through formal channels and implement them only after obtaining users' informed consent, always respecting and safeguarding users' rights to information and choice.



Promoting Industry Development

The Company continues to deepen the construction of an innovative ecosystem for industry collaboration. Through in-depth partnerships with industry associations, research institutions, and peer companies, we conduct technical discussions on cutting-edge fields such as ultra-high-definition displays, intelligent interaction, artificial intelligence and robots, and actively organize or participate in the development of industry standards to promote breakthroughs in industry generic technologies and accelerate industrialization, and achieve all-win outcomes and coordinated development across the entire supply chain. In 2025, the Company participated in the formulation of a total of 48 national, industry, and group standards; as of the end of the Reporting Period, it has cumulatively participated in the formulation of 158 standards.

As a dual-chain leader enterprise in the Guangdong UHD video display industrial chain and the Shanxi new-type display industrial chain, the company is committed to driving coordinated development among upstream and downstream enterprises. Additionally, we have repeatedly assigned technical experts in audio, video and AI fields to participate in the seminars and industry exchanges organized by authoritative standardization bodies such as the National Technical Committee for Standardization of Audio, Video, and Multimedia Systems and Equipment, the Artificial Intelligence Subcommittee and the Educational Technology Subcommittee of the National Technical Committee for Standardization of Information Technology, and the UHD World Association. Leveraging our deep technical expertise and extensive practical experience, we have actively contributed to the development and refinement of related standards, promoting the advancement and optimization of industry technologies.



MAXHUB showcased multiple products at InfoComm USA 2025

In June 2025, the 2025 International Audiovisual Technology and System Integration Exhibition (InfoComm USA 2025) was held at the Orlando Convention Center in the United States. The Company's global brand MAXHUB was showcased at the exhibition under the theme "Possibility in Every Space". We collaborated with partners such as Microsoft and Intel to hold a new product launch event, systematically displaying a matrix of smart collaboration products covering enterprise-level meetings, the education industry, digital signage, and more, based on the concept of "full-scenario, full-ecology".



CVTE participated in the 138th China Import and Export Fair

In October 2025, at the 138th China Import and Export Fair (Canton Fair), CVTE focused on the theme of "AI+Future Education, AI+Enterprise Services, AI+Robots, AI+Life", showcasing the latest technological achievements and applications of the Company in the deep integration of artificial intelligence and the real economy, highlighting the Company's technological strength driven by innovation, while further exchanging and learning from global partners to explore feasible paths for empowering industry upgrades and sustainable development with smart technology.



Strict Product Quality Control

CVTE always places product quality and safety first, continuously optimizing the quality management system, strictly standardizes product quality control processes, and keeps improving employees' awareness of quality and the Company's quality management capability, dedicated to creating safe, high-quality, and trustworthy products and services for users. During the Reporting Period, the Company recorded zero major product- or service-related quality and safety liability incidents.

Quality Management System

The Company fully implements refined management of product quality, establishes and implements management regulations such as *Product Design Development Control Procedure*, *Production Process Control Procedure*, *OEM Quality Management Control Procedure*, *After-sales Service Management System*, *Customer Complaint Management Specification*, and *Incident Management Specification*, thereby standardizing the entire lifecycle quality management processes from R&D design to after-sales service, and ensuring product safety and reliability. The Company has established a Quality Committee to coordinate the overall planning of the Company's quality strategy, setting quality objectives, making significant quality decisions, and reviewing key quality management mechanisms, driving the annual work goals of preventing major quality safety incidents and improving quality efficiency year by year.

To ensure the achievement of quality objectives, the Company has established comprehensive quality assessment criteria and incentive mechanisms. At the same time, we actively participate in the system certification of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). By the end of the Reporting Period, both the Company and its key subsidiaries have obtained the ISO 9001 Quality Management System certification, which covers the core products of the Company.

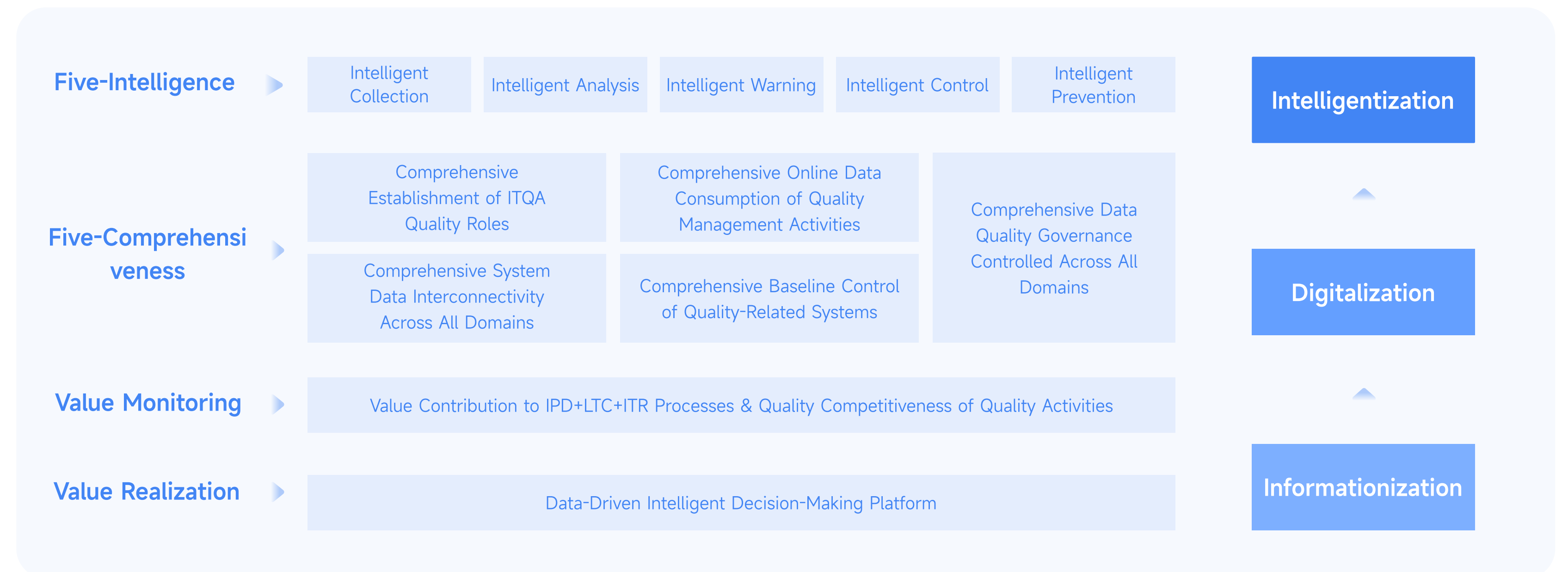
The Company clarifies compliance and risk management requirements for the entire product lifecycle, integrating product safety risk assessment throughout the entire product process. During the development stage of new products and services, various risk factors such as financial, compliance, and operational risks are fully considered, systematically promoting the establishment of product safety goals, and regularly conducting product safety audits, risk assessments, and compliance checks. In addition, we have established a regular audit mechanism, conducting integrated internal audits and management reviews annually to verify the adequacy of system operation; monthly quality inspections, quarterly and semi-annual special audits, and cross-audits during peak business seasons are implemented. Through a full-cycle supervision and evaluation mechanism, we continuously enhance product safety assurance capabilities and operational management levels.

Full Process Quality Management

The Company has established a full-process quality management mechanism to provide strong assurance for quality control throughout the entire process. We implement strict quality control procedures, including incoming quality control (IQC), in-process quality control (IPQC), outgoing quality control (OQC), and ongoing reliability testing (ORT), to ensure that our products meet high-quality standards throughout all stages—from R&D, raw material procurement, manufacturing, to final shipment. In addition, we have also established a standardized product recall mechanism that can respond quickly, initiate recalls, and conduct root cause analysis and closed-loop correction.

Building a comprehensive, data-driven preventive quality management system

The Company has built an AI-empowered preventive quality management system that drives management upgrades with dual engines of digital quality and technical quality, achieving automated monitoring and intelligent assessment of product quality indicators. By enhancing the precision and response efficiency of quality control through digital means, we promote the transition of quality management from ex-post correction to ex-ante prevention.



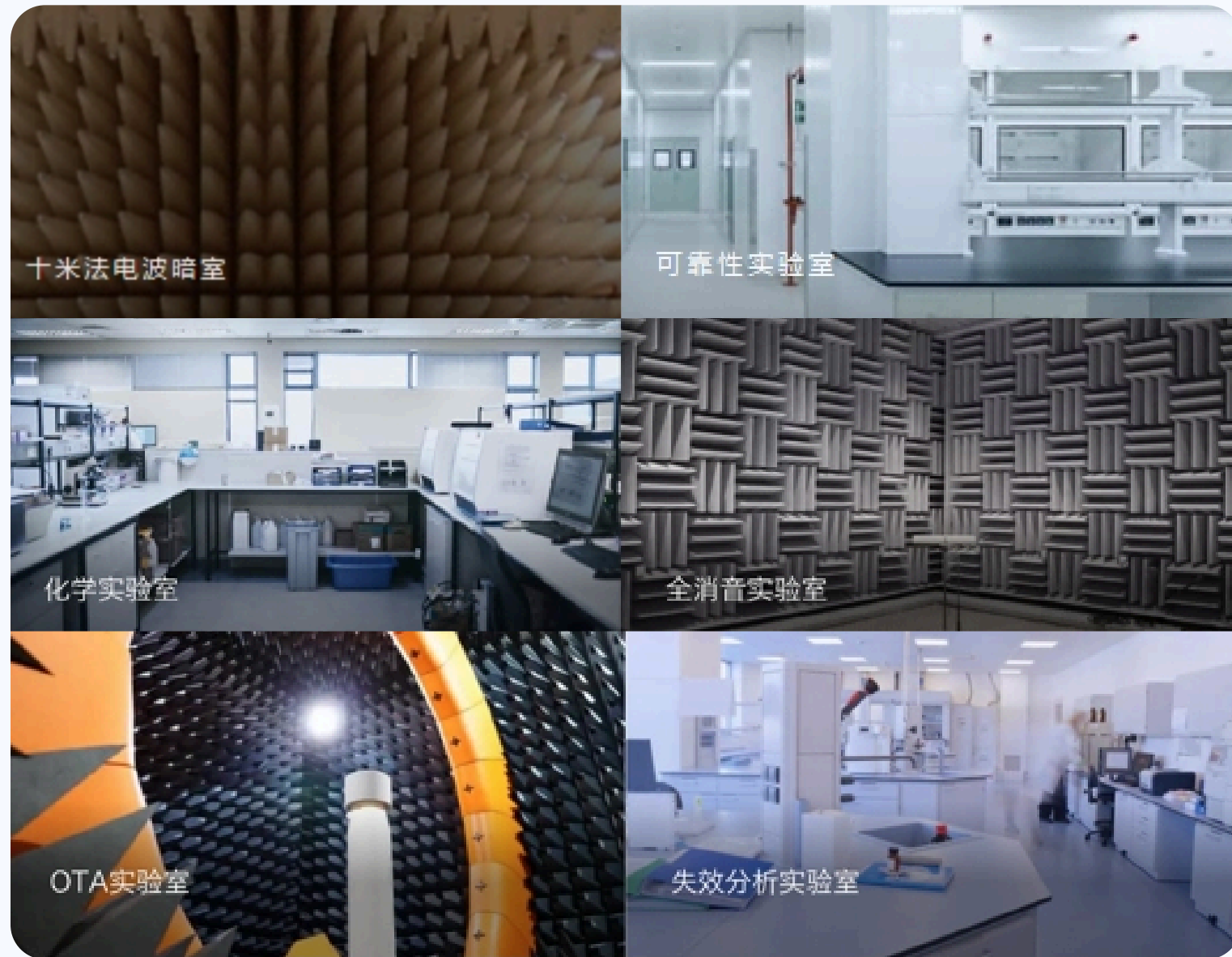
In-house specialized laboratories with comprehensive testing capabilities

The Company boasts industry-leading professional laboratories, including a full anechoic chamber, an automated optical testing platform, an EMC laboratory, and an OTA wireless RF laboratory, capable of full-process product quality testing from material selection, design verification, mass production verification to failure analysis.

The Company's laboratories have obtained multiple national and international laboratory qualification accreditation, including CNAS, CMA, CBTL, A2LA, ISTA, etc., and possess third-party evaluation capabilities to conduct product safety, electromagnetic compatibility, environmental compliance, performance, and reliability testing and assessment on various electronic products, effectively reducing product failure rates and health and safety impacts, improving product compliance, durability, and regulatory compliance, and minimizing the environmental impact of discarded products.

Strengthening product quality risk management and improving employees' awareness of product safety

The Company has established a full-process product quality risk prevention and control mechanism, systematically identifying key risk types related to product quality and safety, and formulated and implemented a *Risk Management Control Procedure*, clarifying the full-process requirements for risk identification, assessment, response, and improvement. Through diversified methods such as internal product sampling, customer satisfaction surveys, special inspections during the back-to-school season, and market quality visits, we actively identify, track, and manage market quality and service quality safety risks. In 2025, the Company continued to strengthen the construction of the product quality training system, covering fields such as R&D, marketing, manufacturing, and supply chain, effectively enhancing the quality and safety awareness and risk prevention capabilities of all employees, providing a solid guarantee for the safe and stable operation of products.



CNAS Laboratory Qualification Certificate



CMA Qualification Certificate



CB Laboratory Certification Certificate



A2LA U.S. Laboratory Accreditation Certificate



ISTA Certificate



Quality Method Training



Quality Tools Training

Building a Quality Cultural Atmosphere

Management serves as the foundation, and awareness takes lead based on it. The Company carries out employee training on product safety to strengthen employees' awareness of quality responsibility and foster a cultural atmosphere where everyone is engaged in quality management. In 2025, the activities conducted by the Company included "315" Quality Special Event, the Quality Lecture Series, and Quality Month activities such as the Quality Knowledge Contest, Quality Experience Sharing Sessions, and Quality Innovation Proposal Competition. Also, for key position personnel, the Company actively carried out quality special mobilization meetings, quality special improvement activities, and other special actions, covering hundreds of managers, frontline employees, and internal and external stakeholders.



Quality Lecture Series



Quality Project Activity



Six Sigma Internal Training Class

Practicing Compliance Marketing

CVTE is committed to providing users with efficient and convenient services, continuously improving its customer service system, strengthening marketing management, and constantly enhancing the value of its products. Moreover, we place great emphasis on protecting customer rights and interests, fully implementing key measures related to information security and privacy protection, and upholding responsible marketing principles to ensure customers' legitimate rights are fully safeguarded.

Customer Services

The Company continuously improves its customer service and communication management mechanisms, comprehensively strengthens service standard setting and strives to build a professional, high-quality customer service team. We regularly conduct customer satisfaction surveys to identify customer needs, ensuring timely responses to customer requests, and continuously improving customer satisfaction with high-quality products and services. We have obtained authoritative customer service qualification certifications such as the five-star after-sales service certification and the twelve-star excellence certification for after-sales service completeness.

Customer service assurance

The Company adheres to the service philosophy of “high-quality technical service and after-sales support, providing users with an excellent service experience”, offering full-process services to customers. We formulate service policy descriptions, business, and service standards for various brands under our umbrella, establish systems such as *Complaint Handling Process and Specification*, clarifying rules for handling after-sales work to ensure the effectiveness of customer request handling; at the same time, we establish a clear problem escalation mechanism to ensure that complex or urgent issues can be reported and resolved in a timely manner.

To promote the effective implementation of service standards, we continuously improve the monthly assessment mechanism for customer service personnel, incorporating key indicators such as customer satisfaction and service timeliness into the assessment system, strengthening the standardized and refined management of after-sales service, and providing comprehensive and strong service guarantees for consumers.

Customer communication channels

The Company has established diverse and smooth customer communication channels online and offline. Online, customers can promptly contact customer service personnel to report issues through various means such as phone calls, public accounts, official websites, and APP etc.; offline, we have formed a team of experienced on-site technical support engineers (FAE), providing one-stop services such as product installation, maintenance, and commissioning, while collecting product usage feedback to promote improvements in product quality and R&D design.

Customer complaint handling

To ensure that customer service requests are processed promptly and effectively, the Company formulates and continuously optimizes complaint handling standards and processes, ensuring that customer complaints are quickly closed within a standardized framework. After customer complaints are resolved, we analyze and summarize the entire process through systematic archiving and closed-loop tracking, and develop targeted preventive actions to prevent similar issues from happening again. In 2025, we achieved a 100% resolution rate for customer complaints.

Digital customer service

The Company leverages digitalization and informatization to empower high-quality business development, implementing multiple measures to enhance customer service capabilities and operational efficiency. In terms of resource efficiency optimization, the Company achieves precise matching of supply and demand through intelligent robots, spare parts forecasting, and intelligent inventory management, effectively reducing redundant inventory and logistics losses; relying on low-code platforms to reduce system iteration energy consumption and costs, we fully promote a paperless business process to assist in carbon reduction. In terms of risk warning and monitoring, we have built an abnormal monitoring center to provide real-time alerts for various scenarios such as overdue on-site visits, overdue spare parts, and sensitive customer inquiries, ensuring rapid identification and timely intervention from the backend to safeguard service response efficiency. In terms of customer service empowerment, we have established a multi-channel customer service access system, relying on standardized service SOP, KPI control, and a comprehensive complaint handling mechanism to ensure service quality, while providing convenient self-service for customers through a knowledge repository and intelligent Q&A system. In terms of employee development and support, we assist technical personnel in enhancing their capabilities through an engineer mobile APP and a skills star certification system, leveraging multi-person collaboration features to strengthen team collaboration efficiency. At the digital governance level, the Company continues to promote standardized management of all business data, strengthening cross-system collaboration and compliance control, solidifying the foundation for digital operations.



After-Sales Service Completeness Certification-Twelve Stars



After-Sales Service Certification - Five Stars

Customer service capability building

The Company continuously enhances the professional skills of its customer service team by establishing the *Shirong National Engineer Star Rating and Service Capability Certification Specification*, requiring all after-sales service engineers to obtain relevant certificates and qualifications to improve their expertise and service quality.

To further improve the professional quality of the customer service team, we continuously refine the customer service training mechanism, conducting various special training projects nationwide, including service experience, after-sales for new products, problem diagnosis and handling, and integrated project delivery management and implementation training, comprehensively enhancing the professional qualities of customer service personnel. Additionally, we organize various customer service skill competitions to improve technical level and teamwork, further improving the hands-on capabilities of our customer service staff.



Improving customer satisfaction

With customer needs at the center, the Company continuously optimizes customer experience and improves product and service satisfaction through high-quality services and innovation capabilities, and implements a systematic customer feedback mechanism. We regularly conduct comprehensive satisfaction surveys covering various dimensions like customer service, order handling, integrated solutions and implementation, sales service, and dealer relationships to fully understand customer needs. Additionally, the Company constructs user satisfaction models to analyze and summarize survey results, formulating improvement plans for service, product, quality, etc., and implementing regular monitoring to ensure the effectiveness of improvement measures.

In 2025, the Company conducted a special user satisfaction survey around core products, taking the interactive intelligent FPD as an example. The survey results showed a user satisfaction rate of 93%, exhibiting a continuous upward trend over the past four years, with steady increases in customer recognition.



Compliant Promotion

The Company always strictly adheres to the *Advertising Law of the People's Republic of China*, the *Measures for the Administration of Internet Advertising*, and other relevant laws and regulations related to marketing and promotion, ensuring that all external promotional content is truthful, accurate, and compliant. We have also established and implemented normative documents such as the *Self-inspection Items for External Publicity* to ensure the quality of our promotional content from the source, preventing any exaggerations, falsehoods, or biased information. During the Reporting Period, the Company did not have any incidents of false advertising.

The Company has implemented comprehensive monitoring, including prior review, process oversight, and post audit, to prevent improper marketing practices. All external promotional materials of the Company must undergo prior compliance review by the legal department and other relevant departments, completing over 900 review processes during the Reporting Period.

In terms of enhancing compliance awareness, the Company pushes monthly advertisements on compliance penalty cases through its internal public account; it sends review reports to relevant departments quarterly and requires them to conduct regular compliance tests, achieving a 100% pass rate in all quarters of 2025. During the Reporting Period, a total of 5 special training sessions on advertising compliance were held to strengthen employees' awareness of compliance in promotion.

Furthermore, as a brand service provider deeply engaged in the field of educational information technology, the Company's sub-brand Seewo prioritizes the healthy growth protection of minors, strictly adhering to the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and industry norms, establishing a full-chain marketing compliance review mechanism to prevent minors from suffering from improper marketing harm. For interactive intelligent FPDs and supporting educational software used in primary and secondary school settings, Seewo adheres to a zero-advertising commitment, firmly prohibiting commercial advertisement placement, pop-up interruptions, and gamified consumption design; all marketing promotional materials undergo dual reviews by the legal and compliance departments to ensure the content is true and accurate, eliminating false advertising, exaggerated statements, and misleading information.

Information Security and Privacy Protection

CVTE attaches great importance to information security and user privacy data protection, fully respects and protects the legitimate rights and interests of users. The Company strictly complies with national information security laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Measures for Security Assessment of Data Exports*, as well as information security and privacy protection laws and regulations related to overseas countries and regions involved in business operations. It has formulated a series of internal management normative documents and compliance guidelines to establish and improve the information security and privacy protection management system, with the related work being supervised and decided by the Company's director and general manager. Meanwhile, the Company continues to advance external certifications of its information security and privacy protection management systems. As of the end of the Reporting Period, the Company and several subsidiaries have passed the ISO27001 information security management system certification; several subsidiaries have passed the ISO27701 privacy information security management system certification and the ISO27017 cloud service information security management system certification. In 2025, the Company did not experience any data security incidents or customer privacy leaks.

Information security

To strengthen the effectiveness of information security governance, the Company has established a complete organizational structure for information security governance, setting up a cybersecurity department led by the Chief Information Officer. The information security team is fully responsible for the planning, construction, operation, and maintenance of the Company's information security system, and conducting regular formal cybersecurity reporting to the Board of Directors every six months to provide professional guidance and decision-making reference for the scientific deployment and effective execution of the Company's information security strategy. At the same time, the Company has formulated and implemented internal management documents such as the *Information Security Management Strategy*, *Information Security Management Manual*, and *Information Security Risk Assessment Control Procedure*, clarifying the requirements for information security management, responsibilities distribution, and risk response measures, standardizing the information security management work of various business departments to ensure the orderly advancement of information security management work.

The Company regularly conducts internal and external information security audits to ensure the safety of information assets and the stability of operations. During the Reporting Period, we organized two external third-party audits and internal audits and found no significant security risks.

Information Security Management Measures

Security Incident Management	The Company has established a breach notification process, clarifying the definition of security incidents, grading and classification standards, and the full-process handling mechanism, categorizing security incidents into minor, general, major, and severe based on their importance and urgency, supporting reporting through multiple channels such as email, internal ITSM system, enterprise WeChat, and phone. After user reporting, the cybersecurity department uniformly accepts, verifies the authenticity and accuracy of the incident, and conducts grading and classification based on business impact, implementing corresponding measures such as risk acceptance, vulnerability remediation, patch updates, malware eradication, and system takedown. After handling is completed, a review summary is conducted for major and severe incidents to formulate preventive measures, continuously enhancing security management levels and avoiding the recurrence of similar problems.
Human Resource Security Management	Before formally employing staff, the Company clarifies the security responsibilities matching the positions of new employees, contractors, and third parties, reducing the risk of unauthorized use and abuse of information assets; after personnel onboarding, information security awareness training and assessments are provided, and confidentiality agreements are signed; upon personnel departure, system permissions are timely revoked, and pre-departure checks are conducted to prevent risks such as information leakage.
Asset Management	The Company has established accountability for information assets, identifying all information assets and creating an asset inventory and usage rules, clearly defining the responsible persons and their duties concerning information assets. Software assets, information assets, and other intangible assets are uniformly included in CMDDB(Configuration Management Database) management. Regular assessments of asset significance, risk assessments, vulnerability scans, and penetration tests are conducted to ensure the security, availability, and integrity of assets.
Physical and Environmental Security	Physical security zones are designated to prevent unauthorized physical access, damage, and interference with workplaces and information; protect devices from physical and environmental threats, and prevent the loss, interference, or damage of information devices to avoid losses of information assets and business interruptions.
Access Control	Following the "principle of least privilege", access control rules are set according to the minimum privilege required for work, managing access permissions to information, information processing facilities, and business processes based on business and security requirements. A user access management process is established to ensure that only authorized users can access the system, preventing unauthorized access.
Formulating Business Continuity Plan	An annual business continuity plan and drill scheme is developed, conducting practical drills around four core scenarios: network interruptions, core router failures, primary and backup device switching, and server infections, realistically simulating the business environment, covering the entire process from event alerts, analysis and judgment, business recovery, data recovery to review and summary, ensuring the continuous, stable, and secure operation of the Company's business. At the same time, a comprehensive data backup mechanism is established, with important data backed up regularly and recovery tests conducted annually to ensure data security and recoverability.
Supervision and Review	Every year, a strict supervision and review of the entire information management process is conducted, and management reviews are held with the participation of the general manager and management representatives to evaluate the cybersecurity strategy and review the effectiveness of the system's operation.
Awareness Communications	Relying on the "Information Security" public account, safety promotional materials and typical cases are regularly published, promoting the dissemination of security concepts; regularly sending information security awareness promotional posters to all employees and organizing cybersecurity week activities to enhance the management level of information security and privacy protection. In 2025, the Company held 5 related training courses such as <i>Information Security Awareness Training</i> for key personnel, covering critical security areas including email, software, social behavior, and data, with a total of over 1,000 participants. Additionally, the Company clarifies employee security responsibilities and reward and punishment mechanisms according to the <i>Information Security Reward and Punishment Control Procedure</i> , ensuring effective execution of security requirements.

Privacy protection

To enhance the efficiency of privacy security management, the Company has established a dedicated privacy protection working group responsible for coordinating, implementing, and reviewing internal privacy protection policies and their execution, formulating and continuously implementing internal management normative documents such as the *Personal Information Protection Management Manual*, *Personal Information Protection Management System Internal Audit Control Procedure*, and *Personal Information (Data) Compliance Protection Baselines*, ensuring that personal privacy protection work is conducted in a standardized and orderly manner.

We have formulated and published the *CVTE Privacy Policy* on the Company's official website, clarifying the Company's stance and commitment on personal information protection. Targeting different products, corresponding privacy policies are formulated and continuously optimized according to business development to ensure coverage of all business and products involving personal information.

Summary of the main contents of CVTE's privacy policy

1	Publicly disclose information processing rules to customers, clarifying purposes, methods, types of information, etc.
2	The company fully respect customers' personal information rights and provides convenient channels for exercising these rights. Within the product, users can directly perform actions such as updating their personal information, adjusting permissions, and other related operations. The Company has set up a dedicated personal information protection email to ensure timely responses to customer requests. Users also have the right to request the Company to erasure of their relevant data.
3	According to the data classification strategy, personal information data is protected through encryption, access controls, and usage approvals, and information security level protection certification work is carried out.
4	Once the processing purpose of personal information is achieved, it is uniformly deleted or anonymized as per regulations.
5	Before providing personal information to third parties, a personal information protection impact assessment is conducted, ensuring compliance with laws and regulations and not infringing on customers' legitimate rights.
6	Confidentiality agreements are signed with employees and suppliers who have access to personal information.

Confidentiality Agreement

We further protect customers' privacy and information security by signing the Confidentiality Agreement with our employees and suppliers.

We sign confidentiality agreements with all new employees, achieving **100%** coverage.

When it comes to important projects, we sign confidentiality agreements with members of the project team.

When introducing suppliers, we sign confidentiality agreements with our suppliers, and the coverage rate reaches **100%**.

We value the data security requirements of overseas markets, hiring professional overseas lawyers to provide compliance advice for outbound products, and setting up overseas servers to store overseas customer data in legally permitted overseas regional servers, meeting overseas privacy data security regulatory requirements.

Meanwhile, to ensure the effective implementation of privacy protection systems, the Company conducts annual compliance reviews of personal information protection, checking the adherence of privacy policies in various business groups, departments, and subsidiaries, and proposing scientific correction suggestions based on review results to continuously enhance privacy protection levels.

Compliance Review

In 2025, we completed a total of **127** compliance assessments, including privacy analysis and risk assessments, synchronously providing the assessment results and corresponding correction requirements to relevant business departments and management and following up on correction closure. Additionally, we continuously strengthen personal information protection training, constantly enhancing employees' awareness of personal information protection. In 2025, we focused on the following training and drills:

Special training for new employees: Conducting personal information protection training for new employees in R&D, product management, and other positions that handle personal information to strengthen privacy compliance awareness during the product design phase and reduce risks of personal information violations.

AIGC tool compliance training: Conducting thematic training on "Compliance in Using AIGC Tools" for all employees to standardize employee AIGC usage behavior and prevent risks of trade secret leaks, intellectual property infringement, personal information leaks, and the use of overseas tools.

Phishing email drills: Conducting phishing email drills during the Reporting Period to test employees' recognition and response capabilities and providing targeted training guidance based on drill results.

Cybersecurity week activities: Conducting cybersecurity week activities every September, through online posters, article pushes, and offline interactive experiences, fun games, etc., continuously enhancing employees' awareness of network security and privacy protection.



Cybersecurity week promotional brochure

Co-Building of Responsible Supply Chain

Adhering to the concept of co-building a responsible supply chain, CVTE places great importance on the potential impact of supply chain activities on society and the environment. We work closely with suppliers to build mutually beneficial partnerships and promote sustainable development of the industrial chain.

Supply Chain Management

The Company has established and continuously improved a supply chain management system covering the entire process, formulating and implementing internal management systems such as the *Supplier Onboarding Process Specification* and the *Supplier Performance Evaluation Management Specification*, providing clear guidance for supplier admission, cultivation, evaluation, and elimination in all stages to ensure the orderly advancement of supplier management work. The Board of Directors is highest accountable decision-making body responsible for the oversight of implementation of the supplier ESG programs, while the supply chain management committee is responsible for the effective operation of the supply chain management system and major decision-making, jointly promoting the realization of a supply chain strategic goal that is safe, reliable, agile, efficient, cost-leading, and capable of global layout.

To achieve efficient control of suppliers, the Company has built a supply chain collaboration platform to enable full-process tracking and visual management of key stages such as supplier admission review, performance evaluation, and routine audits, enhancing supply chain management efficiency, reducing management risks, and promoting supply chain collaboration upgrades. As of the end of the Reporting Period, the Company had a total of 1,803 tier-1 suppliers, of which the core suppliers accounting for a total procurement amount of 80% are 177.

Supplier onboarding

The Company conducts comprehensive and strict qualification reviews during the supplier admission phase, clarifying core review items and reference review items: core review items include essential requirements such as system certification, business risk, and safety management; reference review items include the supplier's industry reputation, upstream resource assurance, and production capacity matching degree, comprehensively identifying high-quality suppliers that can meet the Company's core needs in production, quality, delivery, service, and cost. Under equal conditions, suppliers with better ESG performance are preferred in selection. In addition, the Company continuously optimizes supplier admission standards and processes, improves assessment quantification indicators, and further standardizes sourcing criteria; it introduces a healthy competition mechanism to optimize procurement cost structures, effectively reducing potential risks in the supply chain through the elimination of subpar supply resources, ensuring the stability and competitiveness of the supply chain.

Supplier performance evaluation

The Company has established a comprehensive supplier performance evaluation and incentive system, clearly defining the standards, processes, and incentive measures for supplier performance evaluation, as well as specific plans for guidance and elimination, providing standardized guidelines for supplier management. We regularly conduct comprehensive performance evaluations of suppliers from multiple dimensions such as quality, cost, delivery timeliness, service level, and technological innovation, accurately identifying potential risks in the supply chain, urging suppliers to continuously improve and enhance weak areas, thus ensuring the safety, stability, and efficient operation of the supply chain.

Supplier audit

The Company conducts regular supplier screening and audits based on the risk level of suppliers. In the selection of important suppliers, the Company comprehensively considers various factors closely related to the business, including the political and economic environment of specific countries, industry development trends, and specific risks associated with products, while placing emphasis on the compliance with ESG standards to ensure that the selected suppliers meet the actual business needs of the Company and align with sustainable development concepts, promoting an overall improvement in the supply chain's ESG level.

The Company implements on-site inspections for raw material suppliers rated as high risk, covering environmental dimensions (such as environmental management system ISO 14001, hazardous substance control), social dimensions (such as occupational health and safety management ISO 45001), product quality and safety, among others. For suppliers found to be non-compliant with relevant standards during audits, the Company will clearly require them to develop and implement corrective improvement measures within a specified timeframe and provide necessary guidance and support; suppliers who fail to complete the correction on time to meet the Company's minimum ESG requirements will be eliminated to ensure that suppliers continuously align with the Company's management standards.



In 2025, the Company conducted on-site evaluations of a total of 257 significant suppliers, among which the proportion of significant suppliers in tier-1 is 23%. For the 10 suppliers with potential negative impacts, we have 100% required them to establish and implement corrective measures or improvement plans. In addition, a total of 10 suppliers participated in capability-building projects organized by the Company, helping suppliers enhance their sustainable management levels and achieve collaborative development in the supply chain.

Responsible Supply Chain

The Company places high importance on managing environmental and social risks in the supply chain, strictly requiring all cooperating suppliers to comply with the Company's relevant regulations on environmental protection, business ethics, and conflict mineral control, steadily building a responsible supply chain management system, and striving to create a resilient and sustainable supply chain ecosystem. The Company publicly issues the *Supplier Code of Conduct* and requires all new suppliers to sign the *Supplier Code of Conduct Commitment* upon entry, strengthening suppliers' sense of responsibility and ensuring that the entire supply chain meets sustainable development requirements. Moreover, the Company has established a formal feedback channel on its official website for suppliers and relevant parties, including their workers, to ensure smooth communication.

To promote the effective implementation of supplier ESG evaluation work and comprehensively enhance the sustainability level of the procurement process, the Company organizes systematic special training on purchasing practices for procurement personnel to ensure the alignment of the Company's practices with management requirements, and apply them flexibly in daily tasks such as supplier sourcing, auditing, and evaluation, controlling supply chain ESG risks from the source.



 <p>Supplier Environmental Risk Management</p>	<ul style="list-style-type: none"> Suppliers are required to strictly comply with environmental laws and regulations, ensuring that they obtain, maintain, and timely update all environmental-related licenses, approvals, permits, and registrations required by law, and strictly follow the operational specifications and reporting requirements for various documents; Suppliers are required to commit to the prudent use of natural resources such as water, fossil fuels, minerals, and timber from old-growth forests, comprehensively analyzing resource consumption at all stages of the product lifecycle and actively proposing optimization plans to reduce resource use; Suppliers are required to strictly comply with laws and regulations related to pollution (including noise), waste (including solid waste, wastewater, and waste gas), adhere to source control, and focus on reducing or eliminating pollution and waste generation; Suppliers are required to properly store flammable, explosive, or toxic hazardous materials, establish comprehensive safety precautions to prevent environmental pollution caused by fires, explosions, or leakages; Suppliers are required to strictly comply with relevant laws and regulations and the Company's hazardous substance management regulations, prohibiting the use or discharge of substances explicitly banned in the regulations; Suppliers are encouraged to implement water resource management plans, comprehensively record, classify, and monitor water resource usage and discharge, and improve water resource utilization efficiency; Suppliers are encouraged to establish greenhouse gas emission reduction targets, proactively explore methods to improve energy efficiency, minimize energy consumption and greenhouse gas emissions, and contribute to the achievement of the "dual carbon" goal.
 <p>Supplier Social Risk Management</p>	<ul style="list-style-type: none"> Suppliers are required to strictly comply with all applicable labor compliance laws, regulations, regulatory requirements, and industry management standards, prohibiting any forced labor or other violations of labor laws, ensuring the legal labor rights of employees; Suppliers are required to comply with all laws, regulations, and standards related to workplace health and safety in the country/region where they operate, establishing a complete occupational health and safety management system to provide employees with a safe and healthy working environment; Sign an <i>Integrity Agreement</i> with suppliers and conduct anti-corruption publicity through supplier conferences and other forms, conveying the concept of resolutely resisting commercial bribery, business fraud, and unfair competition behavior, standardizing commercial conduct in cooperation; Suppliers are required to commit to complying with all applicable antitrust and unfair competition laws and regulations, and not to engage directly or indirectly in prohibited monopolistic practices, eliminating the use of unfair competition methods in business activities; Suppliers are urged to strictly comply with import and export-related laws and regulations, meeting the requirements for legal operation, trade safety, and supply qualifications of business partners, ensuring that all trade activities comply with international trade regulations and customs supervision requirements; Suppliers are required to commit to protecting the personal information of all individuals with whom they do business, strictly adhering to privacy protection and information security laws and regulations throughout the process of collecting, storing, processing, transmitting, and sharing personal information.

The Company strictly prohibits the use of conflict minerals and fully implements conflict mineral management according to the Responsible Business Alliance (RBA) standards. The Company clearly requires all suppliers to commit not to purchase or use metals or products from conflict mineral-producing regions or areas that violate human rights, and to conduct due diligence on the sources and management chains of tantalum, tungsten, tin, gold, and cobalt in their produced products, reasonably ensuring that the raw material sources of products comply with the OECD's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or other equally recognized due diligence frameworks. To date, the Company has not found any suppliers violating conflict mineral regulations.

2025 Supplier Conference

In April 2025, the Company successfully held its annual supplier conference, inviting over 300 important supplier companies and nearly 500 corporate representatives to participate, creating a mutually beneficial, open, and inclusive multi-party communication platform to explore effective paths for future collaborative innovation and high-quality development with partners.

At the conference, the Company emphasized that quality is the lifeline of enterprise development, always adhering to the bottom line of compliant operations and honest cooperation, insisting on the concept of "Transparent Supply Chain", advocating a transparent, simple, and efficient cooperation culture, and focusing on product quality improvement and core capability building. We expect to enhance the overall level of the industrial chain through professional training, sharing exemplary cases, and co-building industry standards with our supplier partners, driving high-quality development in the industry. At the same time, the Company integrates sustainable development goals into supply chain management. We explained to our partners the latest requirements and practical directions in the field of "low-carbon emission reduction", advocating for improved energy and resource utilization efficiency through technological innovation and digital collaboration, actively building a green supply chain system, and working together with supplier partners to promote green transition and ecological construction in the industry, contributing to the achievement of sustainable development goals.



On-site of the 2025 Supplier Conference

Employee Care and Cultivation

The Company always regards employees as the fundamental cornerstone and valuable wealth for its stable and sustainable development. We adhere to a people-oriented philosophy, effectively safeguarding employees' legal rights, valuing employee growth, and building a virtuous development model that promotes the development of the enterprise and the growth of employees.

Compensation and Benefits

The Company insists on gender pay equality for equal work, providing equal opportunities for employees in recruitment, compensation, benefits, and promotion, and not discriminating or treating employees differently based on gender, age, physical characteristics, or other reasons. While ensuring the timely payment of regular salaries for all employees, we are committed to providing market-competitive compensation and incentives programs, safeguarding employee benefits and continuously enhancing employee happiness and sense of fulfillment, thereby sharing the fruits of corporate growth with our workforce.

Compensation and performance

The Company continuously optimizes and implements compensation management and performance assessment systems such as the *Salary Management System* and *Incentive System*, clarifying the composition of employee compensation. At the same time, we implement a regular salary adjustment mechanism based on factors such as employee positions and performance, ensuring fairness and reasonableness in salary distribution and performance matching. The human resources department regularly supervises and monitors the evaluation and distribution of performance bonuses across departments to ensure fairness and reasonableness in salary incentives.

The Company establishes a fair and standardized performance management system, conducting regular (quarterly/biannual/annual) performance assessments for organizations and individuals. Performance assessments cover two dimensions: departments and employees, with the former focusing on major tasks, lean management, team building, etc., and the latter focusing on individual performance, code of conduct, work improvements, etc. In terms of evaluation methods, the Company introduces a 360 degree feedback mechanism, integrating multi-dimensional evaluations from department heads, colleagues, and collaborators to comprehensively and objectively reflect employees' actual contributions and development potential; meanwhile, the performance assessment strengthens evaluation dimensions based on business results and team-based performance, linking overall goal achievement with individual incentives, encouraging collaborative creation and shared responsibility. After the performance assessment, department heads will communicate with employees, listening to employee opinions and feedback on assessment results, clarifying improvement directions, and collaboratively setting performance goals and improvement plans for the next cycle, forming a closed-loop management of performance. The Company evaluates employees' career performance based on performance assessment results, daily work performance, and other dimensions, providing a comprehensive and systematic evaluation to pave the way for each employee's career advancement, enabling employees to continuously break through themselves and realize their career development value.

Short-term incentive mechanism

Performance bonus: the Company evaluates and distributes performance bonuses quarterly based on departmental goal achievement and employee performance, with this incentive policy covering all employees.

Special rewards: These cover management improvements, talent recommendations, talent selection and training, patent development, special projects, and more, aimed at encouraging employees to actively participate in company governance, recommend outstanding talents, engage in technological research and innovation practices, and jointly promote the Company's high-quality development.

Mid-term and long-term incentive mechanism:

The Company closely links employees' long-term interests with the Company's by offering equity incentives such as restricted stock, stock options, or employee stock ownership plans. Since going public, we have launched three phases of restricted stock incentive plans, one phase of stock option incentive plans, and one phase of employee stock ownership plans, covering over 3,000 individuals including the Company's senior management and core technical and business personnel.

In addition, the Company formulates and continuously improves the *Management Measures for Supporting Innovation and Entrepreneurship*, encouraging eligible innovative businesses to implement employee stock ownership, further stimulating employees' innovation drive and entrepreneurial enthusiasm, achieving long-term mutual development for the Company and employees.



Employee benefits

The Company continuously improves a multi-level employee benefits guarantee system, formulating and implementing management regulations such as the *Employee Handbook* and *Benefits System*, ensuring that employees receive social insurance and housing fund payments according to law and guaranteeing statutory holidays while continuously enriching the content of benefits, including self-service dining, commuting buses, health check-ups, psychological counseling, and more.

Complete infrastructure to support a balanced work and life for employees

To convey the Company's heartfelt care for employees, the Company has created a star-rated canteen to provide employees with scientifically matched and nutritionally balanced free self-service meals; in terms of commuting support, free shuttle bus services are provided to facilitate employees' commutes. At the same time, the Company has meticulously created leisure spaces such as cafes, libraries, and cinemas in various industrial parks, along with supporting facilities like swimming pools, gyms, yoga rooms, and dance studios, providing employees with diverse options for relaxation, leisure, and entertainment.



Library



Gym



Swimming Pool

Providing health check-ups to safeguard the health of employees and their families

The Company has established a health management center, providing employees with health check-up benefits twice a year, and also offering annual health check-up benefits for employees' parents and spouses. Our health protection work case has been selected as a national characteristic case of health enterprise construction organized by the China Enterprise Confederation for three consecutive years.



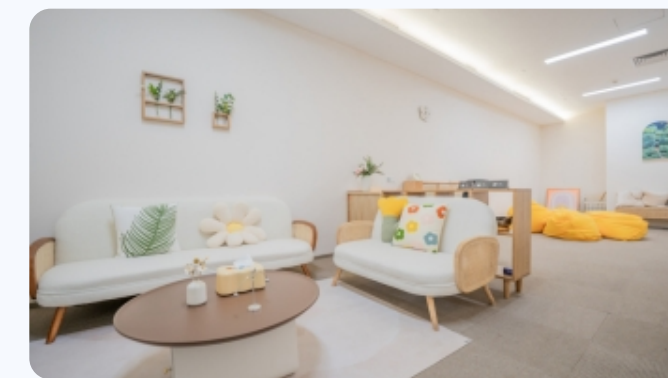
Health Management Center



Health Checkup for Parents

Diverse psychological care, focusing on employees' mental health

The Company pays great attention to employees' mental health, setting up psychological counseling rooms in various industrial parks and regularly conducting online and offline psychological health popularization and care activities. Online psychological courses and poster campaigns to popularize psychological health knowledge; offline, inviting psychology experts to hold special lectures, supporting the operation of psychological clubs, and hosting healing-themed salons, continuously deepening physical and mental health services, achieving daily and companion-like psychological care for employees through diverse and warm activities.



Psychological Counseling Room



Psychological Club Activity



Psychology Expert Lecture

Multi-dimensional family support system, strengthening the foundation of employees' happiness

The Company has established a multi-dimensional family care system to provide family nurturing consultation services for employees of appropriate age. At the same time, the Company provides tiered parental leave for employees with children 0-14 years old: Employees with children 0-3 years old can enjoy 10 days of parental leave each year, while those with children aged 3-6 years can enjoy 1 week of parental leave during winter and summer vacations. All eligible employees can enjoy 1 day of parental leave on Children's Day, helping employees balance their careers and families. In addition, the Company regularly conducts unique activities such as a parents' club and silver-haired care, providing precise and humane multi-dimensional support to effectively strengthen the foundation of employees' happy lives.



Scientific Parenting Activity



Parents Club for Employees' Parents and Elders

Caring for female employees

The Company places great importance on the care and development of female employees, establishing a comprehensive care system for female employees:

- Strictly implement national statutory paid maternity leave and related vacation policies, legally ensuring female employees' salary and leave rights during childbirth, supporting them to focus on giving birth and returning to work smoothly.
- Implement exclusive menstrual leave, truly caring for the physical and mental health of female employees.
- Establish designated parking spaces for pregnant employees, nursing rooms, dining areas for pregnant employees, and rest areas, providing thoughtful support for female employees during pregnancy and breastfeeding.
- Organize health knowledge sharing, online early education classes, and other activities for female employees, providing parenting guidance and family nurturing consultation services.
- Conduct themed series activities for International Women's Day, including pottery and fabric art, Pilates, posture classes, discussion forums, and growth salons, empowering female employees' development.



Women's Day Special Event Poster



Dining Room for Pregnant Women



Parking Spot for Pregnant Women



Lounge for Pregnant Women & Nursing Room



Honor Award



Enriching employees' lives

The Company enhances employee happiness and satisfaction through a variety of activities. We actively organize diverse sports, arts, and literary events, as well as social gatherings and family-friendly activities. These initiatives provide employees with opportunities to connect, fostering a positive, united, and harmonious workplace environment.

In 2025, we held hundreds of employee events, including 18 small and medium-sized evening parties, with total participation reaching tens of thousands. The fierce competition in sports leagues, the colorful strokes in art exhibitions, and the sweat in the gym, we enrich employees' leisure lives through diverse activities.



Family Open Day Event Scenes

Mid-Autumn Family Open Day Event

In September 2025, we invited new employees and representatives from relevant fields to participate in the Mid-Autumn Family Open Day, featuring interactive activities in the lobby, cultural treasure hunts, park tours, and themed dinners, allowing everyone to enjoy a warm and joyful family time together.



Snapshots from the Sports League

Sports League

The Company advocates a healthy lifestyle and encourages all employees to actively participate in physical exercise. In 2025, we hosted a variety of sports leagues, including basketball, football, badminton, table tennis, billiards, and swimming, building a professional and interesting competitive exchange platform that attracted many employees to participate actively.



Music-themed team building event on site

Music-themed team building

In 2025, we held a live performance team-building event themed “Youth, Struggle, Unity,” with on-site check-in for social interaction, food sharing, band performances, interactive games, and a grand chorus among other diverse fun segments, creating a relaxed and enjoyable interactive platform that effectively enhances emotional connections among employees and fosters a unified and harmonious workplace atmosphere.

Talent Training and Development

The Company has formulated and implemented the *CVTE Job Grade Management Specification* and other talent cultivation and promotion systems, continuously improving the talent development system to support the capability enhancement and career development of all employees, facilitating their growth.

Career development channels

We have established a dual-channel promotion pathway of “management + profession” to provide differentiated career development paths for management personnel and professional technical personnel, ensuring equal development opportunities for employees in different positions. To fully support internal employee growth, employees can apply for internal transfers based on their career planning to realize value in fields that suit them. During employee promotions, a personal development plan (IDP) will be jointly developed with their managers to clarify key areas of capability enhancement and growth pathways. In 2025, a total of 2,076 individuals applied for professional rank certification.

The Company has also established a comprehensive, standardized, and scientifically-based professional title evaluation system to provide clear pathways and solid guarantees for employees’ title promotions, focusing on cultivating outstanding professional technical talents with excellent business skills and innovative capabilities. In addition, we also guide employees to engage in innovation and creativity based on their positions through title evaluations, creating a good atmosphere for innovation and promoting technological innovation and product development within the Company. As of the end of the Reporting Period, over 800 nationally recognized professional technical talents are among the Company’s employees.



Education and training

The Company has always regarded talent as the core driving force for sustainable development, adhering to the core concept of “Talent-driven Development” and establishing a full life cycle talent management system of “selection, development, utilization, retention”, deeply integrating employee growth into the Company’s sustainable development strategy.

To meet the strategic development needs of the enterprise and the comprehensive growth needs of employees, the Company has built a “Three-Dimensional Empowerment” training system covering new graduates to management levels, solidifying professional quality through basic quality training, strengthening job competency through professional skills training, and promoting person-job fit through customized position training, accelerating employee career value enhancement and providing energy for the Company’s sustainable development.

University Graduate Training Camp

The Company’s graduate training program focuses on three basic modules: basic qualities, general capabilities, and job skills, using a blended online and offline mode to conduct a series of activities for new graduates, including pre-job warm-up preparation, intensive training upon joining, face-to-face exchanges with executives, Q&A sessions with the founding team, special cultivation for high-potential talents, one-on-one mentorship, and practical training, deepening mutual understanding between new employees and the Company and colleagues, and assisting new employees in quickly adapting to their roles.



Management Talent Development

The “Virtue” Series Management Training (Enlightening virtue, clarifying virtue, practicing virtue, and regulating virtue) is a systematic training program designed for new middle and frontline managers. Centered around the “OMO Learning, Practice, Assessment” training system, it aims to develop new managers at different levels, helping them build foundational management understanding, master essential management skills, and drive rapid team and business growth. In 2025, we conducted seven sessions of the “Virtue” training series, reaching 263 participants, with an average NPS score of 90%.



Other Training Courses

The Company closely monitors market trends and cutting-edge technological developments, timely conducting specialized training activities for all employees or specific groups, including a series of AI learning and training courses launched by the CVTE-WA&AI Research Center, supporting employees’ exploration and growth in the field of AI.

In terms of talent cultivation models, the Company deeply integrates the OMO concept (Online-Merge-Offline, referring to the integration of online and offline), building an online digital learning platform that hosts over 8,000 standardized courses, fully meeting employees’ fragmented and autonomous learning needs; at the same time, closely focusing on core business scenarios, carrying out offline practical exercises, case discussions, and other in-depth training activities to continuously build an open and diversified knowledge ecosystem. The Company also advocates the concept of mutual teaching and learning, actively encouraging employees to register and certify as internal learning instructors, creating a strong and positive learning atmosphere among all employees. As of the end of the Reporting Period, 241 people had been certified as internal learning instructors.

In 2025, the Company organized over 5,000 training sessions, with a total training duration exceeding 320,000 hours, averaging over 46 hours of training per person, exceeding the annual target of 40 hours of training per person, achieving a 100% training coverage rate among employees. In addition, the Company encourages all employees (including part-time employees and contractors) to pursue professional certifications and academic advancement. In 2025, 20 employees successfully completed education programs for degree enhancement and received subsidies for degree improvement at district, city, and provincial levels.

Diversity, Equality, and Inclusion

The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations protecting workers' rights, and has established and implemented internal policies such as the *Employee Handbook*, *Incentive System*, and *Benefits System* to continuously standardize employment management, optimize the talent structure, and ensure open communication channels, with a strong commitment to protecting the rights and interests of all employees. The Company has also established a diverse compensation and benefits system and incorporated employee diversity considerations into management performance evaluations, promoting steady progress in developing a diverse talent pool and enhancing overall competitiveness.

Labor standards

The Company strictly adheres to domestic and international labor laws and conventions, including the *Provisions on the Prohibition of Using Child Labor*, *International Labor Standards*, and core conventions of the International Labor Organization (ILO), establishes and strictly implements human resources management systems, publicly releases the *CVTE Statement on Protecting Labor Human Rights*, clarifying the operational requirements for prohibiting child labor, forced labor, workplace discrimination, and harassment to protect labor human rights. If any incidents involving child labor, forced labor, or other labor rights violations occur, both internal and external stakeholders may report through open channels, and the Company will ensure appropriate resolution.

As of the end of the Reporting Period, no violations regarding freedom of association and collective bargaining rights, forced labor, illegal slavery, child labor, or various discrimination incidents were found in the Company's own operations.

Talent structure

The Company upholds a fair and equitable employment philosophy, continuously optimizing its talent structure while firmly opposing any form of employment discrimination based on gender, race, religion, age, nationality, or health status. We strive to foster an inclusive, diverse, and harmonious working environment. In 2025, the Company won multiple employer honors, including "Liepin 2025 Extraordinary Employer" and "Maimai 2025 Top Employer Worth Joining".

The Company continues to recruit from diverse talent, formulating talent recruitment plans, actively expanding diversified talent recruitment channels. In addition to regular channels like park recruitment and social recruitment, innovative attempts such as "live-stream job fairs", "virtual presentations", "campus buses," and "campus headhunting" have been made. Through diversified recruitment methods, the Company aims to build a reasonably structured and professionally diverse talent team, continuously injecting momentum into the Company's sustainable development. As of the end of the Reporting Period, the total number of employees in the Company was 6,724 people. For more detailed talent structure information, please refer to the Appendix Key Performance Indicators Table.

Employee Category		Headcount (persons)	Proportion
Divided by gender	Female	1,889	28.09%
	Male	4,835	71.91%

In addition, the Company is committed to fostering an inclusive and diverse culture, providing equal employment and promotion opportunities for every employee. As of the end of the Reporting Period, the proportion of women in the Company's junior management level was 25.23%, in the middle management level was 23.24%, and in the senior management level⁷ was 26.19%; the number of women in STEM⁸-related positions was 355, and the number of women in management positions related to revenue generation was 106.

⁷Senior management level refers to the management defined internally by the Company at the level of president and above, not the statutory senior executives defined by the Company Law.

⁸STEM, short for Science, Technology, Engineering, and Mathematics. STEM positions refer to jobs that involve specialized work in the fields of science, technology, engineering, and mathematics.

Democratic communication

We are dedicated to building a diverse, open, and accessible democratic communication mechanism, ensuring smooth communication channels for employees, and firmly safeguarding their right to voice opinions and suggestions regarding daily operations, management, compensation, benefits, and more. As of the end of the Reporting Period, the Company has established a total of 14 labor unions, and the membership rate of employees in established units was 100%.

The Company actively builds regular communication bridges, in 2025 the union organized activities such as the union chair's reception day and employee exchange meetings, and vigorously promoted an online union mailbox to continuously listen to employees' voices. Throughout the year, 152 employees provided various suggestions through the online union mailbox, and relevant issues were pushed for evaluation and implementation, ensuring that "everyone contributes ideas, every matter gets feedback, and every case is addressed."

Additionally, the Company encourages each department to carry out various forms of communication and exchange activities independently, aiming to promote employees to actively exchange ideas, listen to each other, deepen understanding, and positively contribute suggestions for the Company's development and management optimization, creating a positive, united, and collaborative atmosphere.

Since 2013, the Company has conducted annual employee satisfaction surveys through questionnaires and interviews, covering dimensions such as vitality, organizational support, and related influencing factors, including but not limited to compensation and benefits, workplace atmosphere, growth opportunities, management support, sense of achievement, and stress levels. Currently, the Company has achieved online automation by conducting employee satisfaction survey activities. By thoroughly analyzing survey data and incorporating interview insights, we prepare a research report. Based on the report results, we develop a layered improvement plan that covers key areas such as cross-organizational collaboration, process efficiency improvement, resource and tool optimization, and management personnel deployment. We also continuously monitor the progress of these improvements.

In 2025, the Company continued to optimize the employee survey questionnaire system, conducting surveys around employee experience and organizational management dimensions. The survey results indicated that employee happiness and organizational health both scored 4.35 (on a 5-point scale). The Company systematically organizes employee demands and suggestions based on survey results, using them as an important basis for internal management optimization and work improvement, promoting the implementation of related measures, and continuously improving the workplace environment and management effectiveness.



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事事有回音
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Occupational Health and Safety

The Company places great importance on employees' occupational health and safety, continuously improves its safety management system and enhances safety management capabilities to create a safe working environment for employees. The Company strictly follows occupational health and safety laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, and has established and implemented the *Safety Management Manual*, *Production Safety Responsibility System*, and a series of safety operating procedures, to standardize daily safety management processes.

The Company has established an occupational health and safety management organizational structure with the Board of Directors as the highest responsible entity, focusing on strengthening and enhancing the three elements of "people, equipment, and management," and implementing the safety policy of "life first, safety foremost, prevention first, and comprehensive governance". By enhancing safety awareness through training, reducing on-site risks through risk classification control and hazard management, strengthening emergency skills through drills, setting a safety management goal of "zero safety production accidents"⁹, and conducting annual target assessments, ensuring the effectiveness of safety management work. Currently, many subsidiaries of the Company have completed the ISO 45001 occupational health and safety management system certification or passed safety production standardization assessments.

The Company legally pays work-related injury insurance for employees, while also purchasing commercial insurance such as employer's liability insurance and public liability insurance, safeguarding employees' occupational health and life safety. In 2025, the coverage rate of employees under work-related injury insurance reached 100%.

Health protection management

The Company conducts comprehensive testing of harmful occupational factors in the workplace every year and reports the test results to the relevant government authorities as required. For positions exposed to harmful occupational factors, the Company arranges pre-employment health checks for employees, provides appropriate personal protective equipment, and organizes regular occupational health checks annually, with exit health checks arranged when employees leave their positions. All testing data, health check reports, job adjustment or exit records, and histories of exposure to occupational harmful factors are integrated into individual occupational health files. The Company continues to promote improvements in the working environment and upgrades in occupational health protection, effectively safeguarding employees' occupational health.

Safety hazard investigation

The Company regularly organizes safety risk identification and evaluation, and classification control in the workplace, while also conducting daily inspections, seasonal checks, special inspections, and holiday inspections to promptly identify and eliminate various safety hazards, preventing hazards from escalating into safety accidents and ensuring that on-site safety risks are controllable.

The Company has established a sound safety reward and punishment system, encouraging employees to participate in hazard investigation and safety supervision. Employees who promptly identify and report potential safety hazards, intervene in unsafe acts, and eliminate significant hazards to prevent safety accidents will receive a graded reward ranging from recognition to top honors, fully motivating all staff to engage in safety management and creating a safety atmosphere for everyone.

In addition, the Company actively cooperates with and voluntarily accepts safety supervision and inspection from government regulatory authorities, implementing corrections for issues discovered during inspections to achieve zero hazards. In 2025, the Company accepted a total of seven government supervision inspections in areas such as emergency management, fire safety, and special equipment, with no major non-compliance issues found and no administrative penalties imposed.



⁹Refers to safety production accidents of level three and above

Digital safety management

To further enhance safety management levels and build an efficient, intelligent safety operation system, the Company is actively promoting the digital transition of safety management, establishing and implementing a series of digital management systems, significantly improving the refinement and intelligence of the Company's safety management.

The main systems currently deployed and in use include:

- **Hazard Rectification System**

The system is designed to achieve closed-loop and intelligent management of workplace hazards. It utilizes a digital platform to systematically track the entire process from hazard identification through rectification to verification. Integrated with regular reminder functions, it effectively prevents oversight in the hazard rectification process.

- **Incident Notification System**

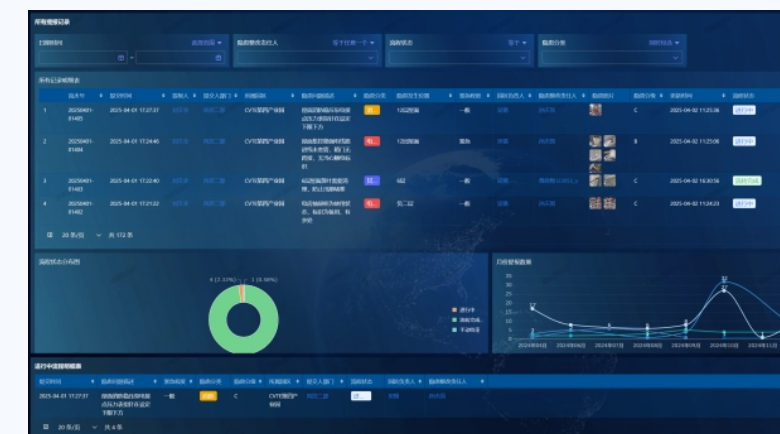
This system focuses on rapid response and timely notification. In the event of a safety incident, the system can automatically send notifications to relevant personnel at the first moment, ensuring information reaches them promptly and providing valuable time for emergency response and incident management, minimizing the scope and impact of incidents.

- **Contractor Onboarding Training System**

To standardize contractor safety management and enhance training efficiency, the Company has launched a contractor onboarding training system, achieving full digital management of contractor safety training, assessment, and certification, improving the training efficiency of contractor personnel and avoiding repeated training.

- **Smart Fire Safety System**

To strengthen fire safety management, the Company is gradually introducing a smart fire safety system, which can perform real-time remote monitoring of key fire safety equipment in some parks, accurately grasping the operational status of fire safety equipment and enhancing the Company's overall supervision of fire safety across various parks, providing strong technical support for fire safety.

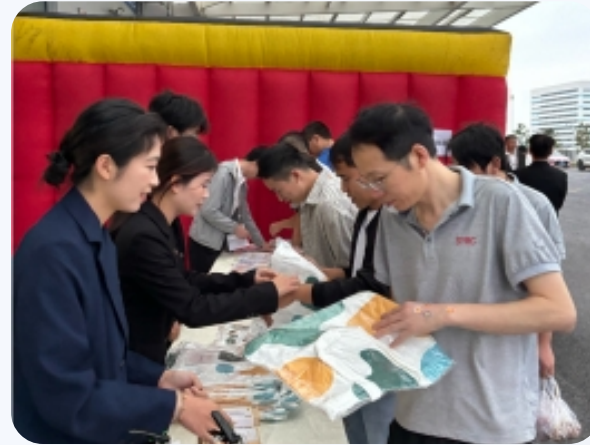


Safety education

In 2025, the Company conducted 40 safety-themed training sessions focusing on key areas such as construction, electrical work, special equipment, gas, hazardous chemicals, and fire safety, organizing over 150 training sessions in total, achieving 100% coverage in safety training. For new employees, strict pre-job safety training and assessment requirements are enforced, ensuring that only those who pass the assessment can start working, continuously reinforcing safety awareness and operational standards among all employees.

Online and Offline Safety Publicity Activities

In 2025, the Company organized offline publicity activities such as fire safety and traffic safety in key areas, conducting multiple offline safety education events and continuously pushing safety knowledge articles and themed posters through internal promotion platforms, reinforcing safety culture through online and offline interaction and immersive experiences, effectively improving the overall safety awareness and emergency response capabilities of all employees.



119 Fire Safety Publicity Activity



Safety Month Hazard Reporting Activity Awards

Emergency management

The Company develops an annual emergency drill plan, regularly organizing specialized emergency drills to effectively enhance employees' abilities to respond to sudden safety incidents and their overall competencies. In 2025, the Company conducted emergency drills for 24 scenarios such as elevator entrapment, electric vehicle fires, and flood prevention, with over 6,700 participants.

24

Scenarios based emergency drills

Over 6,700

Participants



Comprehensive Fire Emergency Drill



Elevator Entrapment Emergency Drill



Rural Revitalization and Social Welfare

CVTE always considers fulfilling social responsibility as a vital mission for its development, continuously creating social value. The Company deeply integrates its business expertise with social welfare practices, leveraging technology to empower educational informatization and equitable construction, optimizing educational resource allocation, and injecting new vitality into the development of education in rural and remote areas. At the same time, the Company actively encourages employees to participate in volunteer activities, from community care to rural assistance, conveying warmth and hope through small acts of kindness, contributing to rural revitalization and community development, and demonstrating corporate social responsibility through practical actions.

Rural Revitalization

Seewo Public Welfare Activity

Seewo, as an educational technology brand under CVTE, is dedicated to empowering education with technology and supporting the high-quality development of China's education sector. Since 2016, adhering to the beautiful vision of "Let every child enjoy fair and quality education", Seewo has initiated the "Seewo Public Welfare Activity", and consistently implemented a dual-track public welfare model of donating digital equipment and enhancing teachers' information technology capabilities over years, actively developing a series of effective projects such as teacher growth programs, the Thousand-Mile Classroom Public Welfare Program, the Seewo Teacher Digital Capability Enhancement Support Project, and the Seewo Xingtan Program, continuously supporting rural schools in remote areas to improve their digital teaching environments and enhance rural teachers' digital teaching capabilities. Seewo Public Welfare Activity promotes the sharing of educational resources between urban and rural areas through practical actions, injecting important power into promoting balanced educational development. By the end of 2025, the project is expected to have a total investment of about RMB 198 million, covering 31 provinces (autonomous regions and municipalities) nationwide, benefiting 427,000 teachers and 665,000 students.



Seewo Teacher Digital Capability Enhancement Support Project

In November 2022, Seewo, together with the Teacher Work Department of the Ministry of Education and the China Education Development Foundation, jointly launched the "Seewo Teacher Digital Capability Enhancement Support Project". The project combines hardware donations with systematic training, precisely serving the dual strategies of national rural revitalization and collaborative quality improvement in teacher education. The first phase of the project lasted three years, successfully achieving "two full coverage" for 160 key counties supported by national rural revitalization and 72 higher normal universities. By the end of 2025, the project has established 160 "Smart Training Rooms" in counties and created 72 "Smart Classrooms for Student Teacher Education Practice" in universities, benefiting 370,000 teachers and student teachers. By the end of 2025, the project launched its second phase, focusing on AI empowerment, to inject AI teaching resources and capability training into 72 universities and 500 high schools in counties nationwide.

The "Seewo Teacher Digital Capability Enhancement Support Project" has been successfully selected as a typical case for the 2025 People's Corporate Social Responsibility "Building Dreams for the Future" by People's Daily Online and has received the "2025 Annual (Top Ten) Impactful Public Welfare Project" award.



2025 People's Enterprise Social Responsibility Case Trophy



2025 Annual (Top Ten) Impactful Public Welfare Project Trophy



Offline Professional Teacher Training Course



Xingyuan·Early Childhood Basketball Special Fund

To improve the shortage of physical education teachers, outdated teaching methods, and lack of sports activities for children in rural areas, in 2024, CVTE Public Welfare, in partnership with Beijing Yao Foundation Public Welfare Fund, established the “Xingyuan · Early Childhood Basketball Special Fund”. Using basketball as a platform, the fund will donate basketball equipment to remote rural schools, conduct sports teacher training, organize county leagues and national competitions, and support early childhood basketball initiation activities in rural kindergartens to promote early childhood development. In 2025, the project was implemented in Yangshan County, Qingyuan City, Guangdong Province, and Huayuan County, Liangshan Prefecture, Sichuan Province, providing basketball equipment, teacher training, and curriculum support to 20 rural kindergartens, benefiting over 150 preschool teachers and 3,700 children. The project brings health and happiness through sports into rural campuses, truly realizing “Yangshan is warmer, Liangshan is not cold”.

Smart public welfare ecological town

In 2025, under the guidance of the United Front Work Department of the Municipal Party Committee, CVTE Public Welfare, along with several private enterprise foundations, integrated resources from multiple fields such as consumer assistance, educational equity, and medical accessibility, to jointly explore the construction of a comprehensive ecological system for beautiful rural areas. Among them, CVTE Public Welfare successfully implemented smart medical and emergency rescue equipment in Taiping Town, Yangshan County, Qingyuan City, using technological strength to enhance the public service capacity and risk response ability in rural areas, promoting the integration model of “Public Welfare + Technology + Industry”. By the end of 2025, the project has invested a total of millions in equipment, technology, services, resources, and funding.



In-Person Teacher Training



Children's Basketball Carnival Activity



Smart Public Welfare Ecological Town·Donation Site Photo



Donated Remote Consultation Display Equipment



Consultation Activity Photos

Social Welfare

The Company adheres to the concept of “Everyone-Involved Public Welfare”, building diverse bridges for employees to engage in social welfare, gathering small acts of kindness, and igniting the goodwill of all. In 2022, the company established the “Vitamin C Volunteer Service Team”, which has since continuously organized various volunteer activities, including tree planting, typhoon and flood prevention, elderly care, and blood donation. Focusing on topics such as caring for the elderly, children, and women, environmental protection, and mutual assistance, the volunteer service team regularly carries out brand volunteer service activities like the Vitamin C Children Safeguard Plan, Vitamin C Silver Care, Vitamin C Green Guard, Vitamin C Safety Action, and Vitamin C Helping Fun, forming a five-brand volunteer service system, creating a distinctive and systematic public welfare service model. In 2025, the Company had 2,496 active volunteers, conducted over 73 internal and external volunteer activities throughout the year, involving 5,485 volunteers, and accumulating 24,356 hours of volunteer service.

“Vitamin C Children Safeguard” Public Welfare Campaign

To address the mental and physical well-being of left-behind children in rural areas, CVTE Public Welfare launched the “Vitamin C Children Safeguard” public welfare campaign in June 2023. Through the “Vitamin C Healthy Dinner” program, health education, a worry-relief mailbox, and lighting up micro-wishes and other volunteer service initiatives, they provide ongoing support to improve the quality of dinner meals for rural students and help them establish positive healthy lifestyles. In 2025, the project provided over 120,000 nutritious dinners for 742 rural students, and with the support of local governments and supply cooperatives, built a two-way closed loop of nutrition assurance and consumption assistance for rural revitalization, effectively solving the problem of insufficient nutrition in rural students’ dinners while broadening the sales channels for local agricultural products. At the same time, the project focuses on children’s mental health, organizing 66 volunteers to provide companionship services to rural children, conducting heartwarming companionship and emotional guidance through monthly letter exchanges, safeguarding the physical and mental health growth of rural children.



Vitamin C Healthy Dinner



Vitamin C Children Safeguard
Publicity Poster

“Vitamin C Creative Welfare Partner” Public Welfare Plan

In September 2025, CVTE Public Welfare launched the “Vitamin C Creative Welfare Partner” plan, specifically funding the implementation of six public welfare projects covering community environmental protection, care for disadvantaged children, and elderly services. This plan actively responds to the national call for the institutionalization, socialization, professionalization, and normalization of volunteer services. We will work hand in hand with various professional volunteer service organizations to deepen the practice of the public welfare volunteer model of “executed by professional agencies + funded by foundations + participation of volunteers”, further mobilizing community social organizations, volunteer teams, and the general public to actively participate in volunteer services, promoting the volunteer spirit of dedication, friendship, mutual assistance, and progress, and contributing to the improvement of the modern social volunteer service system.



Respecting and assisting the elderly volunteer service activity



Care activity for children in difficult situations

Employee Blood Donation Activity organized by the CVTE Trade Union

In July 2025, CVTE Health, CVTE Trade Union, CVTE Public Welfare, and CVTE Party Committee jointly held a themed blood donation campaign, “Hot Blood Shapes Youth, Youth Toward the Future”. This event attracted a total of 176 caring volunteers to actively participate, with a total blood donation of 35,200 milliliters, lighting up the hope for more people in need of help.



03 Governance

Governance is the cornerstone of corporate development. In a complex and ever-changing business environment, a sound governance structure and transparent management mechanisms are essential to ensuring steady and sustainable progress. CVTE consistently upholds integrity, transparency, and efficiency as its governance principles. It continuously improves its corporate governance structure, enhances decision-making efficiency, and ensures the Company's operations are compliant and sustainable. In the governance chapter, we will share our Company's practices in corporate governance, risk management, anti-bribery and anti-corruption efforts, as well as the protection of intellectual property and trade secrets, showcasing our dedication to and pursuit of excellence in governance.

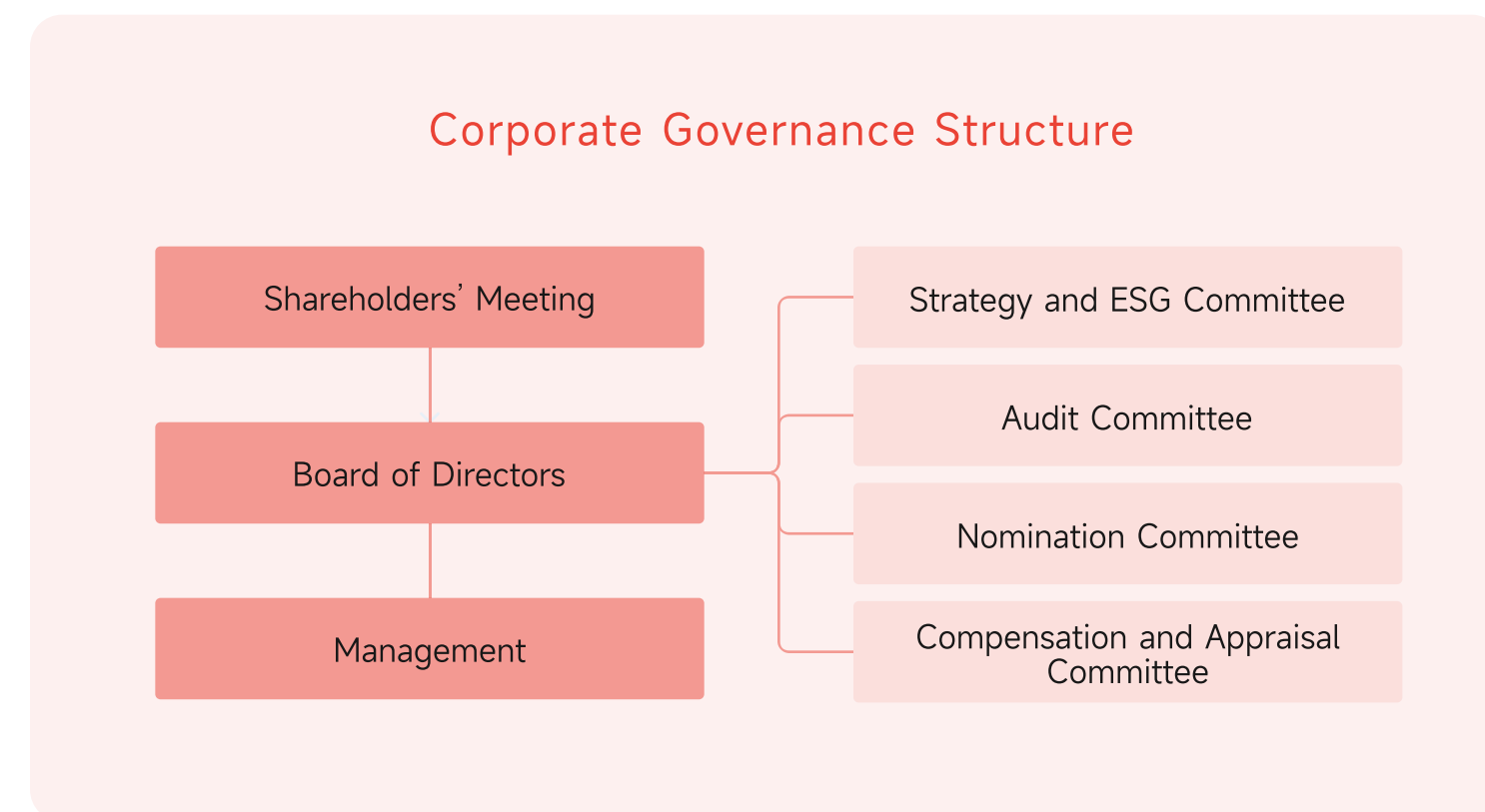


Robust Corporate Governance

The Company strictly complies with laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and the *Shenzhen Stock Exchange Listing Rules*, continuously revises and improves internal regulations including the *Articles of Association* and the *Rules of Procedure for the Board of Directors*, and establishes a transparent and efficient governance framework to constantly enhance its standardized operations. Also, the Company continuously improves its shareholder rights protection mechanisms, discloses information promptly and accurately in accordance with regulatory requirements, and strengthens investor relations management, providing solid support for enhancing corporate governance.

Governance Structure

The Company has established an operating mechanism with the Shareholders' Meeting as the highest authority, the Board of Directors as the decision-making body, and the management as the execution body. Under this mechanism, each governing body carries out its work according to its responsibilities. Through the proper distribution and checks and balances of power, they work together collaboratively while also supervising and restraining each other, effectively ensuring the Company's sound decision-making and efficient governance.



We firmly believe that enhancing the effectiveness of the Board of Directors is key to improving corporate governance and ensuring stable operations and high-quality development. To this end, the Company places great importance on ensuring the performance of directors, building professional capabilities, optimizing the board structure, and evaluating board performance, continuously improving institutional arrangements. The attendance of directors at meetings is an important reflection of their commitment and attention to company affairs. the Company has clearly stipulated in the *Articles of Association* that if a director fails to attend two consecutive meetings in person without delegating another director to attend on their behalf, it will be deemed as failing to fulfill their duties; at the same time, it is required that board meetings must be attended by more than half of the directors to be held, ensuring the seriousness and effectiveness of board decisions from an institutional perspective. During the Reporting Period, the attendance rate of each director at board meetings was 100%.

The Company's Board of Directors has four specialized committees, including the Strategy and ESG Committee, Audit Committee, Nomination Committee, and Compensation and Assessment Committee, with working rules formulated for each specialized committee. Each committee operates independently, with clear responsibilities, and exercises its powers independently within its scope of duties, free from interference by other departments or individuals, effectively assisting the Board in carrying out relevant work and jointly promoting the Company's efficient and standardized operations. The Company's Audit Committee, Nomination Committee, and Compensation and Assessment Committee are mostly composed of independent directors who also serve as conveners, which helps to ensure the independence, objectivity, and professionalism of committee decisions; the Strategy and ESG Committee is chaired by the chairman of the Board to ensure the coordinated advancement of the Company's strategic planning and sustainable development work with scientific decision-making.

During this Reporting Period, the Company prepared to hold:

2 Shareholder's Meetings	6 Board Meetings	1 Strategy and ESG Committee meeting
6 Audit Committee Meetings	1 Nomination Committee Meeting	1 Compensation and Assessment Committee Meeting

The Company places great emphasis on diversification in the construction of the Board of Directors, striving to enhance the diversity of Board members in terms of gender, experience, qualifications, and professional background. Currently, the academic backgrounds of the Company's Board members cover various fields, including information engineering, business administration, financial accounting, and legal compliance. As of the end of the Reporting Period, the Company's Board of Directors consists of 9 directors, including 3 independent directors, 1 female director, and 1 accounting professional; among the Board members, 4 hold doctoral degrees, and 2 have extensive risk management experience.

Investor Rights and Interests

Prioritizing shareholder returns and sharing the fruits of development

The Company adheres to an investor-centered philosophy, sharing development dividends with all shareholders through cash dividends, stock buybacks, and other means. Since going public, the Company has continuously implemented a cash dividend policy, with total cash dividends exceeding RMB 4.3 billion, among which, the cash dividend amounts for the years 2022, 2023, and 2024 account for 35.53%, 42.87%, and 48.57% of the annual net profit attributable to the parent company, providing sustained and stable dividends to investors.

To demonstrate a high recognition of the Company's value and confidence in future development prospects, effectively combining the interests of shareholders, the Company, and core employees, after the completion of the buyback plan launched in 2023, the Company will launch a second round of stock buyback plan in 2024, which will be completed in July 2025.

Strengthening information disclosure and enhancing investor communication

The Company strictly complies with laws, regulations, and regulatory requirements, consistently adhering to the principles of truthful, accurate, complete, timely, and fair information disclosure, guided by investor needs, continuously improving the initiative and transparency of information disclosure. At the same time, the Company has built multi-dimensional and regular communication channels with investors, promptly holding performance briefings after the disclosure of annual performance reports and periodic reports to dynamically convey the Company's operational development trends and core investment values; responding promptly to investor inquiries and requests through investor hotlines, emails, and the Shenzhen Stock Exchange "Easy IR" platform; establishing the "CVTE Investor Relations" WeChat public account and expanding communication channels with investors through major investment platforms such as Eastmoney, Tonghuashun, and Xueqiu, enhancing investors' understanding and trust in the Company.

With outstanding performance in information disclosure and investor relations management, the Company has been rated A-level in the annual information disclosure assessment by the Shenzhen Stock Exchange for five consecutive years since 2020.

Strengthening Risk Management and Control

Effective risk management and control is key to ensuring the Company's stable operation and sustainable development. The Company is committed to building a scientific, comprehensive, and efficient risk control system, accurately identifying various potential risks from internal and external sources, formulating targeted response strategies, and comprehensively preventing and resolving risk hazards to ensure stable and long-term development.

Risk Management and Control System

The Company continuously improves the risk compliance management system, constructing a multi-level and comprehensive risk control framework. A primary risk architecture is established around strategic risks, market risks, financial risks, operational risks, and legal risks, clarifying the control boundaries and management objectives for each core risk, achieving a complete closed-loop process for risk identification, assessment, response, and monitoring.

On this basis, in conjunction with the actual business development and sustainable development requirements, the Company further extends the scope of risk control to secondary risks such as corporate governance risks, environmental risks, health and safety risks, climate change risks, and human resources risks. For various secondary risks, the Company regularly conducts comprehensive risk assessments, refining the identification to form actionable and controllable tertiary risk lists, clarifying risk levels, impact scopes, and potential consequences to achieve full coverage of risk control.

In addition, the Company continues to deepen the construction of the ESG risk management system, integrating ESG risk control into the overall risk management framework. Under the guidance of the Board of Directors, the ESG working group continuously monitors global ESG development trends and industry-related risk points, dynamically tracking potential risks in the fields of environment, society, and governance, scientifically formulating risk mitigation plans and response measures, embedding control requirements into various aspects of daily operations and business processes to effectively prevent ESG-related risks from impacting the Company's sustainable development.

To ensure the effective implementation of risk management, the Company has established a "Three Lines of Defense" risk management framework, clarifying the responsibilities, workflows, and collaborative mechanisms of each defense line. The Board of Directors is the highest decision-making body for comprehensive risk management, responsible for risk oversight; the Company has established the position of Chief Risk Officer, who regularly reports to the Board on the progress of risk management work, management effectiveness, and potential risk hazards, ensuring that the management team is timely informed of risk control dynamics and makes scientific decisions. At the same time, the Company includes risk management-related indicators in the performance evaluation of senior executives, promoting the responsibility of risk control at all levels.

Risk Control Compliance Management

The Company has built a complete risk control management closed-loop mechanism, systematically carrying out risk identification, grading assessment, and response plan formulation in response to changes in the internal and external environment faced during operations, with the risk control center supervising relevant responsible departments to implement risk response measures, ensuring that risk management work is precise and efficient. Meanwhile, the Company includes risk management training in regular capability building, conducting specialized training for all employees (including Board members) periodically to continuously strengthen overall risk awareness and performance capabilities.

Risk assessment

Based on the risk list, analyze the causes of each risk and existing control measures, assess the likelihood and impact of occurrence, calculate risk values and sensitivities, and ultimately form a risk heat map to clarify the ranking of risk levels.

Risk identification

Every year, based on the Company's strategy and value chain, systematically sort potential risks across five major dimensions: strategy, market, finance, operations, and legal, and through target decomposition, process analysis, and classification integration, form the Company's annual risk list.

Risk report

Summarize risk points and control situations, forming a report on the current state of risk management. The audit department shall report any significant deficiencies in risk control through direct reporting paths to the audit committee or Board of Directors, ensuring that the governing body is informed and supervised.

Risk response

According to risk assessment results, formulate corresponding response strategies for different levels of risk, and urge responsible departments to implement specific correction plans and control measures.

Correction and Supervision

Track the implementation of correction, assist responsible departments in improving control systems, and regularly evaluate the effectiveness and rationality of implemented response measures, making timely adjustments.



Three Lines of Defense for Risk Control and Management

The First Line of Defense	Each Business Group	<ul style="list-style-type: none"> Responsible for executing risk control processes and implementing specific risk response measures.
The Second Line of Defense	Risk Control Center	<ul style="list-style-type: none"> Responsible for promoting and overseeing the effective execution of risk control processes and response measures.
The Third Line of Defense	Audit Department	<ul style="list-style-type: none"> Conduct annual risk management audits; Identify internal and external risk factors that may affect the Company's sustainable development; Assess the effectiveness of various risk levels and corresponding control activities.

The Company regularly conducts various risk control and compliance management work, including auditing supervision, segregation of duties review, subsidiary control, seal management, and funds management.

Regular audit	The audit department regularly conducts special audits on operations, compliance, internal control, etc., identifying potential internal control defects and assisting business departments in improving control measures. At the same time, it regularly assesses risks in various business areas, assisting in solidifying the risk control matrix.
Job separation review	Clearly define incompatible positions to ensure the separation of functions such as cashiers and auditors, and the safeguarding of accounting records; internal audits are independent of the finance department; seal management and usage are assigned to different roles; seal management personnel have no familial relationships with key management personnel, ensuring effective checks and balances.
Subsidiary control	In accordance with the <i>Subsidiary Management Measures</i> and other systems, implement unified supervision and management of subsidiaries in terms of shareholder rights and obligations, operating policies, investment plans, and key personnel appointments and dismissals to ensure consistency in group governance.
Seal management	Implement a seal authorization and hierarchical approval system, strictly execute the <i>Seal Management System</i> , standardizing the processes for seal application, usage, and registration to prevent misuse risks.
Fund management	Continuously strengthen the review and approval management of fund accounts, external payments, fundraising, and idle fund usage, systematically reducing fund operation risks and ensuring fund safety and compliance.

The Company has comprehensively identified and assessed the main risks in current operations and formulated mitigation measures as follows:

Risks related to fluctuations in raw material prices and supply chain stability

- **Likelihood of risk occurrence:** moderately high. Due to the increasing market demand, the market prices of key raw materials such as storage chips continue to rise.
- **Potential impact on business:** the rising cost of raw materials will directly compress the Company's profit margin; if the supply of key materials is unstable, it may lead to delays in production plans or delivery obstacles, impacting customer satisfaction and market competitiveness.
- **Mitigation measures:** implement strategic stockpiling based on raw material market conditions and the Company's actual needs to cushion the impact of short-term price fluctuations; actively promote the research and application of new materials and new processes, reducing dependence on specific high-priced raw materials from the source through technological optimization; maintain close communication with customers, reasonably adjust product pricing according to market changes, and moderately shift the pressure of rising costs; continue to advance refined management, shorten procurement and production delivery cycles, and enhance supply chain resilience and responsiveness.

Risks related to foreign exchange fluctuations in international operations

- **Likelihood of risk occurrence:** moderate. As the Company accelerates its internationalization process, the scale of import and export business continues to expand. Due to the imbalance in the scale of imports and exports, the time differences in currency settlements, and the limited natural hedging space for the subsidiary, the Company faces certain foreign exchange exposure risks.
- **Potential impact on business:** if not effectively managed, significant fluctuations in exchange rates may adversely affect the Company's financial status (such as exchange gains and losses), increasing the uncertainty of operational performance.
- **Mitigation measures:** strictly adhere to the *Internal Control System for Futures and Derivative Trading* when conducting foreign exchange derivative transactions, ensuring compliance and standardized processes; maintain a focus on hedging, solely to prevent exchange rate fluctuation risks, and strictly prohibit any form of speculative operations; use scientific hedging strategies to hedge foreign exchange exposures, reducing the impact of exchange rate fluctuations on core business and financial status.

Additionally, the Company pays close attention to the systemic risks driven by climate change, social evolution, and policy transitions related to ESG, and, in line with its business characteristics, regularly conducts identification and assessment of emerging risks. Based on a comprehensive assessment of the Company's strategic planning and the development trends of various business segments, we have identified two emerging risks that may significantly impact the Company's long-term development: international trade friction risks and artificial intelligence technology risks. In response to these two categories of risks, we have proactively laid out a series of positive risk mitigation and response strategies to enhance business resilience and sustainable competitiveness.

Category	Emerging risks	Description	Potential Impact	Response Measures
Geopolitics	International trade friction risks	As the Company internationalizes, it may face challenges such as market demand fluctuations, instability in the supply of key raw materials, and export controls due to geopolitical changes, trade protectionism, and uncertainties in national policies, posing risks to the global supply chain and operational continuity.	<ul style="list-style-type: none"> Fluctuations in market demand affect revenue stability; Supply chain disruptions lead to delays in production and delivery; Increased compliance costs and operational pressures from trade barriers. 	<ul style="list-style-type: none"> Implement diverse market strategies to expand into different regional markets and reduce reliance on a single market; Promote supply chain localization and diversification of key materials, and establish a safety stock mechanism; Strengthen compliance management and risk early warning, closely monitor trade policy trends, and ensure business activities comply with the legal and regulatory requirements of target markets.
Technology	AI technology risk	As a technology-driven enterprise, the Company may face technological and social compliance risks such as data security and user privacy protection, algorithmic bias, and ethical controversies in the research and application of artificial intelligence technology. Improper management could impact the Company's reputation and societal trust.	<ul style="list-style-type: none"> Data breaches or misuse leading to legal lawsuits and regulatory penalties; Algorithmic discrimination or lack of transparency harming brand credibility; Ethical controversies in technology affecting product market acceptance and social license. 	<ul style="list-style-type: none"> Establish legal norms and ethical review mechanisms to ensure AI technology applications comply with societal morals and legal regulations. For example, in algorithm design, avoid discriminatory factors to ensure fairness and transparency in AI decision-making. Establish and improve mechanisms for data security and privacy to ensure the security and confidentiality of user data.

Standardizing Business Conduct

Grounded in integrity and committed to the rule of law and compliance, the Company focuses on key dimensions including anti-commercial bribery and anti-corruption, intellectual property, and trade secret protection, and has built a comprehensive and multi-layered commercial operation standard system, for promoting compliant operations and honest development, and maintaining a good business ecosystem.

Public Reporting Channels

Report hotline: +86 (020) 8615 4552

Report Email: jicha@cvte.com

Mailing address: CVTE Risk Control Center, No. 6, Yunpu 4th Road, Huangpu District, Guangzhou, Guangdong, China

Anti-Commercial Bribery and Anti-Corruption

The Company continuously improves its anti-corruption management system, vigorously promotes the construction of a clean culture, strictly regulates the business activities of employees, suppliers, and other partners, and resolutely eliminates violations such as commercial bribery and corruption, creating a fair and clean business atmosphere.

Consolidating integrity building

The Company strictly adheres to the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and relevant laws and regulations of the operating location, formulates and strictly implements internal management systems such as the *Integrity System*, *Employee Handbook*, *Employee Conflict of Interest Management System*, and *Code of Business Ethics*, clarifying work requirements and behavioral standards for stakeholders in anti-corruption, anti-discrimination, anti-harassment, information security protection, and violation reporting, ensuring that integrity construction has rules to follow and regulations to rely on. During the Reporting Period, the Company did not experience any violations related to business ethics.

The Company regularly organizes all employees, core customers, and suppliers to carry out conflict of interest declaration work, preventing compliance risks from the source. The Company's Board of Directors is responsible for supervising matters related to business ethics, and the disciplinary inspection and supervision team is responsible for supervising the implementation of anti-corruption work, regularly reporting work results to the Board to ensure management is implemented. At the same time, the Company regularly conducts audits on business ethics and anti-corruption based on its business characteristics and risk assessment results, requiring that operational audits cover all areas at least every three years.

The Company continuously maintains diverse channels for reporting violations, open 7×24 hours to employees, suppliers, customers, and other third parties, supports anonymous reporting, and provides local language versions suitable for different regional businesses. The Company continuously optimizes the whistleblower protection mechanism, strictly keeping the reporting content and whistleblower information confidential, and prohibits any form of retaliation. At the same time, the Company encourages employees to report in their own names. We establish the mechanism for employees to consult the disciplinary inspection and supervision team on ethical issues; if any violations are discovered or suspected, they should report them promptly through designated company channels. In addition, the Company regularly conducts training on *Code of Business Ethics* and reporting channels for employees to continuously strengthen compliance awareness.

Creating an atmosphere of integrity

The Company attaches great importance to the construction of clean culture, actively creating a good atmosphere for clean operations, and conducts anti-corruption training and clean culture dissemination for all employees every year, clarifying the bottom line of clean work such as "no acceptance of bribes in any form," guiding employees to strengthen self-discipline awareness and consciously adhere to compliance.

The Company actively joins professional organizations such as the China Enterprise Anti-Fraud Alliance and the Guangdong-Hong Kong-Macao Greater Bay Area Enterprise Integrity and Compliance Joint Association, participating in industry integrity and compliance construction to promote the development of industry integrity culture. In daily operations, the Company regularly conducts activities such as clean culture training, fraud risk training, and learning at clean bases, achieving full coverage of anti-corruption and clean culture-related training based on the Code of Business Ethics, continuously reinforcing employees' awareness of clean operations.

Build a comprehensive clean education system of "precise outreach + ecosystem co-creation"

Layered penetrative training

- Targeted training on job crime prevention and other specific topics is conducted for high-sensitivity departments such as supply chain, marketing, construction, quality, and manufacturing, totaling 49 sessions;
- Conduct online clean training and assessments, covering nearly 6,600 employees.

Dynamic warning network

- Establish a dual mechanism of "node warning + daily penetration", internally releasing clean advocacy letters and warning posters in advance during key holidays, achieving a combination of prevention and dissemination;
- Play a benchmark demonstration role, awarding the title of "Clean Pioneer" to 8 outstanding colleagues in clean operations;
- Regularly organize clean-themed publicity activities to popularize legal knowledge related to integrity.

Ecological chain value output

- Conduct on-site visits to 30 partners, deepening clean co-construction with partners;
- Collaborate with the research institute to develop an abnormal reimbursement detection plan to effectively prevent fraud issues. This plan has been patented, achieving deep integration of clean construction and technological innovation.

Supplier anti-bribery management

The Company insists on promoting sunshine supply chain construction, incorporating business ethics into the entire supply chain process, continuously improving relevant documents such as the *Integrity Agreement* and *Supplier Onboarding Process Specification*, and clearly requiring all suppliers to sign the *Integrity Commitment Letter* and complete the conflict of interest declaration simultaneously when signing cooperation contracts, ensuring suppliers are clearly aware of the Company's business ethics management requirements and consciously adhere to the integrity cooperation standards. During the Reporting Period, the signing rate of suppliers' *Integrity Commitment Letter* reached 100%.

The Company clarifies its position and baseline requirements on business ethics to all suppliers, continuously reinforcing suppliers' awareness of integrity cooperation. At the same time, the Company sets up reporting channels for improper benefits of suppliers. Suppliers who violate integrity regulations or laws will be held legally accountable, resolutely maintaining the integrity order of the supply chain.

Intellectual Property and Trade Secret Protection

The Company regards intellectual property and trade secrets as core assets for enterprise innovation. Through systematic institutional construction, strict process control, and continuous capability building, a comprehensive system for the creation, protection, management, and utilization of intellectual property has been formed.

Intellectual property protection

The Company has established a sound intellectual property protection and management mechanism, strictly complying with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*, formulating and implementing internal systems such as the *Intellectual Property Management Manual*, *Intellectual Property Management Measures*, and *International Patent Process Control Specification*, continuously improving the intellectual property management system. The Company has passed the GB/T29490-2023 intellectual property management system certification. During the Reporting Period, the Company did not experience any major infringement incidents in the field of intellectual property.

Intellectual Property System

Standardized Management

Implementation of the *Enterprise Intellectual Property Management Specification*
Group Standard Committee

Intellectual Property Management Measures

Patent Application Process
Trademark Management Measures
Technical Contract Management Measures
Patent Application Document Drafting and Review Specification

Intellectual Property Incentive System

Intellectual Property Incentive Measures
Important Patent Incentive Measures

Intellectual Property Risk Control System

R&D Risk Control Process and Approval System
Exhibition Risk Investigation System

In terms of the transition of intellectual property achievements, in 2025, the Company added more than 1,300 patent applications. As of the end of the Reporting Period, the Company holds nearly 11,000 authorized patents, including nearly 3,000 authorized invention patents; and has over 4,600 copyright registrations for computer software and works. The Company and its subsidiary Guangzhou Shirui have been recognized as "National Intellectual Property Model Enterprise", while Guangzhou Shizhen and Guangzhou Shikun have been recognized as "Guangdong Province Intellectual Property Model Enterprises".

Over 1300	Nearly 11,000	Nearly 3,000	Over 4,600
Added Patent Applications	Authorized Patents	Authorized Invention Patents	Copyrights for Computer Software and Works

To strengthen the professional capabilities of the intellectual property management team, the Company's intellectual property department regularly organizes internal sharing and exchanges and actively participates in training from external authoritative organizations, participating in more than 60 theme training sessions throughout the year on compliance control, patent practice, trademark copyright, etc. In July 2025, the Company, as the vice president unit of the Guangdong Intellectual Property Protection Association, co-hosted a knowledge property salon themed "Response to US Intellectual Property Disputes," gathering international experts to discuss cross-border intellectual property issues and building an industry communication platform while helping the team accurately grasp the dynamics of international rules, laying a solid foundation for the globalization of intellectual property talent.



Intellectual Property Theme Salon Site

At the same time, the Company organizes over 100 intellectual property training sessions throughout the year for core business departments such as R&D, business, and supply chain, covering high-risk patent technology compliance, trade secret compliance, open-source software compliance, and supply chain technology control, helping business teams keep up with the latest regulations and policies, and comprehensively enhancing their ability to identify and respond to intellectual property risks.



Intellectual Property Compliance Training Site

Trade secret protection

The Company understands that protecting trade secrets is key to maintaining core competitiveness and preventing unfair competition. It has established a comprehensive trade secret protection system covering institutions, processes, and culture, ensuring the safety of core technology and business information.

In terms of institutional construction, the Company has formulated internal management systems such as the *Information Asset and Classification Control Procedure*, *Computer Control Procedure*, and *Trade Secret Control Procedure*, with supporting guiding documents like *Trade Secret Protection Guidelines* and **Trade Secret Infringement Risk Prevention Mechanism**, forming a full-chain institutional guarantee from information classification and grading, permission settings, risk early warning to emergency handling.

In terms of process mechanism construction, the Company has built a closed-loop mechanism for trade secret protection covering the entire career cycle of employees, from onboarding, training, job transfer, to departure. Special confidentiality training is conducted for new employees, clarifying confidentiality obligations; confidentiality commitment letters are signed during onboarding procedures to strengthen accountability; strict exit audit processes are enforced during employee departures to comprehensively check the fulfillment of confidentiality obligations, preventing trade secret leaks. At the same time, the Company utilizes advanced IT information technology to establish a warning system for abnormal document transmission behavior, monitoring document transmission and external operations in real-time. Once abnormalities are detected, warnings are triggered immediately, and rapid response measures are taken based on risk levels, achieving dynamic and intelligent protection of trade secrets.

In terms of employee awareness cultivation, the Company continuously strengthens the awareness of trade secret protection among all employees through a systematic and professional training system. In 2025, the Company has conducted 9 specialized training sessions on trade secrets, covering interpretations of confidentiality laws and regulations, analyses of typical judicial cases, warnings about high-frequency leakage scenarios, and explanations of core confidentiality points, achieving full coverage of employee training and effectively enhancing overall confidentiality awareness and practical capabilities.



Appendix 1: Honors Received in 2025

Entity	Award	Issuing Organization
CVTE	2025 Top 500 Chinese Private Manufacturing Enterprises	All-China Federation of Industry and Commerce
	2025 Top 500 Chinese Manufacturing Enterprises	China Enterprise Confederation, China Entrepreneurs Association
	2025 Quality Benchmark Typical Experience	China Quality Association
	2025 Guangdong Top 100 Private Enterprises	Guangdong Federation of Industry and Commerce
	Nomination for the 8th Guangdong Government Quality Award	Guangdong Provincial People's Government
	2025 Top 100 Chinese Large Enterprises in Innovation	China Enterprise Confederation, China Entrepreneurs Association
	2025 Top 500 Private Enterprises in Invention Patents, and 2025 Top 500 Private Enterprises in R&D Investment	All-China Federation of Industry and Commerce
	First Prize in Guangdong Province Science and Technology Progress Award	Guangdong Provincial People's Government
	2025 China Outbound Brand Rising 20 Index	People's Daily Overseas Network and other organizations
	7th National Civilized Unit	Central Civilization Office
	National Case of Family-Friendly Workplace Construction	All-China Federation of Trade Unions, Ministry of Human Resources and Social Security, and others
	Guangdong Provincial Ethnic Unity and Progress	CPC Guangdong Provincial Committee, Guangdong Provincial People's Government
	2025 Key Support for Craftsman Colleges by Guangdong Provincial Federation of Trade Unions	Guangzhou Federation of Trade Unions
	Maimai 2025 Top Employer Worth Joining	Maimai
	Liepin 2025 Outstanding Employers	Liepin
	2024-2025 Annual Information Disclosure Work A-Level Evaluation	Shenzhen Stock Exchange
	2025 Bay Area Listed Companies Top 20 in Board Governance	Shenzhen Corporate Governance Research Association
2025 27th Listed Company Golden Bull Award "Golden Disclosure Award"	China Securities Journal	
ESG Governance Golden Bull Award	Securities Times	

Entity	Award	Issuing Organization
Shirui Electronics	Ministry of Education Standardization Committee "Standard Innovation and Application" Project Excellent Case	CELTSC
	"Intelligent Education in China" Excellent Case in Basic Education	World Artificial Intelligence Conference
	"Belt and Road" Top 10 AI Application Scenarios ¹⁰	Shanghai Artificial Intelligence Research Institute
	2025 Guangdong Education Communication Excellence Brand	Guangzhou Daily
	2025 People's Craftsmanship Product	People's Daily Online
	People's Corporate Social Responsibility Building Dreams for the Future Case	People's Daily Online
	2025 Innovative Product of Embodied Intelligent Robotic Dog	China Electronics News
MAXHUB	AI Product Technology Innovation Pioneer Award	Audio.hczyw.com
	Second Prize of Guangdong Province Science and Technology Progress Award	Guangdong Provincial People's Government
	2025 Annual Top Ten Smart Conference Panels, 2025 Annual Top Ten LED All-in-One Machines, 2025 Annual Top Ten Large Screen Displays, 2025 Annual Top Ten Commercial Displays	Digital Audio-Visual Engineering Network
	2025 "CIO Trusted Brand"	National CIO Conference
	Provincial Industrial Design Center	Guangdong Provincial Department of Industry and Information Technology
QSTECH	National Specialized and Sophisticated "Little Giant" Enterprises	Ministry of Industry and Information Technology
	Shaanxi Province Manufacturing Single Champion Enterprises	Shaanxi Province Department of Industry and Information Technology
	Outstanding Contribution Award for High-Quality Development of Private Economy	Xi'an Development and Reform Commission
	2025 Xi'an Digital Economy Leading Enterprises	Xi'an Data Industry Association
	2025 Annual Excellent (ODM/OEM) Brand Award for Education and Conference LED All-in-One Machines	HangJia Talk Display, HangJia Talk Industry Research Center
	2025 Annual Top Ten LED All-in-One Machines, 2025 Annual Top Ten Micro LED, 2025 Annual Top Ten XR Solutions	DAV Digital Audio and Visual Engineering Network Digital Audio and Visual Engineering Magazine

¹⁰The recipient of this award is Shanghai Shixi Intelligent Technology Co., Ltd., a subsidiary of Shirui Electronics

Appendix 2: Key Performance Indicators (Environmental)

Greenhouse Gas Management

Categories of greenhouse gas emissions	Unit	2025
Scope 1: Direct greenhouse gas emissions	Tonnes of carbon dioxide equivalent (tCO ₂ e)	2,670.31
Scope 2: Indirect greenhouse gas emissions (location-based)	Tonnes of carbon dioxide equivalent (tCO ₂ e)	38,422.90
Greenhouse gas emission intensity (Scope 1 + Scope 2)	Tonnes of carbon dioxide equivalent (tCO ₂ e)/ RMB 10,000 revenue	0.0169
Scope 2: Indirect greenhouse gas emissions (Market-Based)	Tonnes of carbon dioxide equivalent (tCO ₂ e)	44,143.61
Greenhouse gas emission intensity (Scope 1 + Scope 2)	Tonnes of carbon dioxide equivalent (tCO ₂ e)/ RMB 10,000 revenue	0.0192
Scope 3: Other indirect greenhouse gas emissions	Tonnes of carbon dioxide equivalent (tCO ₂ e)	57,664.39

Energy management

Energy consumption metrics	Unit	2023	2024	2025
Direct energy consumption	Tonnes of standard coal equivalent (tce)	1,013.52	620.20	632.41
	Thousand kWh	8,246.74	5,046.35	5,145.69
Indirect energy consumption	Tonnes of standard coal equivalent (tce)	4,481.31	8,647.16	9,089.78
	Thousand kWh	36,463.06	70,359.34	73,960.80
Comprehensive energy consumption	Tonnes of standard coal equivalent (tce)	5,494.83	9,267.36	9,722.19
	Thousand kWh	44,709.80	75,405.69	79,106.49
Comprehensive energy consumption intensity	Tonnes of standard coal equivalent (tce)/RMB 10,000 revenue	0.0027	0.0041	0.0040
	Thousand kWh/RMB 10,000 revenue	0.0222	0.0337	0.0325

Water Resource Management

Water use metrics	Unit	2023	2024	2025
Water consumption	Tonnes	396,293.00	458,598.52	435,168.72
Water consumption intensity	Tonnes/RMB 10,000 revenue	0.1965	0.2047	0.1787

Waste Management

Metrics	Unit	2025
Total amount of general solid waste - Disposal method: Recycling	Tonnes	94.66
General solid waste emission density	Tonnes/RMB million revenue	0.0039
Total amount of hazardous waste - Disposal method: recycling, incineration, physicochemical treatment	Tonnes	194.30
Hazardous waste emission density	Tonnes/RMB million revenue	0.0080

Waste Gas Management

Metrics	Unit	2025
VOCs	Kg	1,155
NOx	Kg	475.93
SOx	Kg	1.39

Appendix 3: Key Performance Indicators (Social)

Hiring						
Metrics		Unit	2022	2023	2024	2025
Total number of employees		Persons	6,193	6,780	6,693	6,724
Divided by gender	Male	Persons	4,424	4,842	4,795	4,835
	Female	Persons	1,769	1,938	1,898	1,889
Proportion of women among employees		%	28.56	28.58	28.36	28.09
Divided by employment type	Full-time	Persons	6,193	6,780	6,693	6,724
	Part-time	Persons	0	0	0	0
Divided by age	30 years old and under	Persons	3,401	3,520	3,101	2,801
	Ages 31 to 49	Persons	2,766	3,222	3,541	3,857
	50 years old and above	Persons	26	38	51	66
Divided by job level	Senior management level ¹¹	Persons	33	33	38	42
	Middle management	Persons	88	113	127	142
	Junior management	Persons	685	801	779	650
	Non-management	Persons	5,387	5,833	5,749	5,890
Divided by region	Mainland China	Persons	6,180	6,757	6,667	6,687
	Hong Kong, Macau, and Taiwan	Persons	11	12	12	16
	Overseas	Persons	2	11	14	21
Divided by ethnicity ¹²	Han Chinese	Persons	5,940	6,496	6,395	6,427
	Other ethnic minorities	Persons	253	284	284	276

Diversity, Equality, and Inclusion		
Metrics	Unit	2025
Number of women in junior management	Persons	164
Proportion of women in junior management	%	25.23
Number of women in middle management	Persons	33
Proportion of women in middle management	%	23.24
Number of women in senior management	Persons	11
Proportion of women in senior management	%	26.19
Number of women in management positions responsible for revenue generation	Persons	106
Proportion of women in management positions responsible for revenue generation	%	25.42
Number of women holding STEM-related positions	Persons	355
Proportion of women in STEM-related positions	%	11.43
Number of minority employees	Persons	276
Proportion of minority employees	%	4.12

¹¹Senior management level refers to the management defined internally by the Company at the level of president and above, not the statutory senior executives defined by the Company Law.

¹²Data for 2025 only includes employees of Chinese nationality.

Employee Turnover

Metrics		Unit	2025
Employee turnover rate ¹³		%	17.67
Divided by gender	Male	%	16.92
	Female	%	19.59
Divided by age	30 years old and under	%	22.38
	31-49 years old	%	14.26
	50 years old and above	%	16.67
Divided by region	Mainland China	%	17.66
	Hong Kong, Macau, and Taiwan	%	6.25
	Overseas	%	28.57
Divided by ethnicity	Han Chinese	%	17.43
	Other ethnic minorities	%	22.46

Human Rights

Metrics		Unit	2025
Labor contract signing rate		%	100
Employee rights and interests	Number of people covered by the collective agreement	Persons	3,437
	Coverage rate of collective agreement	%	51.12
	Number of people covered by the trade union	Persons	4,155
	Trade union coverage rate	%	61.79

Employee Development

Metrics		Unit	2025
Number of training sessions organized		times	5,000+
Total hours of training conducted		10,000 Hours	32+
Number of employees received training		Persons	6,724
Average training hours of employees		hours/person	46+
Total employee training expenses		RMB	6,772,860
Average training cost per employee		RMB/person	1,007
Number of directors receiving anti-corruption and anti-bribery training		Persons	9
Number of management receiving anti-corruption and anti-bribery training		Persons	834
Number of employees receiving anti-corruption and anti-bribery training		Persons	6,724
Percentage of directors receiving anti-corruption and anti-bribery training		%	100
Percentage of management receiving anti-corruption and anti-bribery training		%	100
Percentage of employees receiving anti-corruption and anti-bribery training		%	100

Occupational health and safety

Metrics	Unit	2022	2023	2024	2025
Number of work-related injuries	pcs	4	2	10	4
Days lost due to work injury	Days	226	105	281	31
Number of work-related deaths	Persons	0	0	0	1

¹³Employee turnover rate = Total number of employees who left during the Reporting Period ÷ Total number of employees at the end of the Reporting Period × 100%

Appendix 4: Index Table

GRI Content Index		
Report Section		GRI Content Index
About This Report		GRI 2-1, 2-2, 2-3, 2-4, 2-5
About CVTE		GRI 2-1, 2-2, 2-6
Chairman's Speech		GRI 2-14
ESG Governance	ESG Governance Structure	GRI 2-14, 2-17
	Communication with Stakeholders	GRI 2-15, 2-16, 2-29
	Double Materiality Assessment	GRI 3-1, 3-2, 3-3
ESG Highlights and Performance		/
Environmental	Response to climate change	GRI 201-2, 305-1, 305-2, 305-3, 305-4, 305-5
	Promoting Green Operation	GRI 301, 302, 303, 305, 306
	Creating Green Products	GRI 302-5
Social	Innovation-driven development	GRI 302-5
	Strict Product Quality Control	GRI 416-1
	Practicing Responsible Marketing	GRI 416-1, GRI 417-1, GRI 418
	Co-building of responsible supply chain	GRI 308-1, 308-2, 414-1, 414-2
	Employee Care and Cultivation	GRI 2-7, 2-8, 2-19, 2-20, 2-26, 2-30, 201-3, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-3, 405-1, 406-1
Rural Revitalization and Community Public Welfare	GRI 203-1, 203-2, 413-1	
Governance	Robust Corporate Governance	GRI 2-9, 2-10, 2-11, 2-18, 2-12, 2-13
	Strengthening Risk Management and Control	GRI 2-27
	Standardizing Business Conduct	GRI 2-26, 206-1

Index Mapping to the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)		
Disclosure requirements	Clauses	Corresponding chapters/sections of this report
General Disclosure	Article 11	Double Materiality Assessment - Assessment of Impacts, Risks, and Opportunities of Financial Materiality Issues
	Article 12	ESG Governance
	Article 13	ESG Governance
	Article 14	ESG Governance - Double Materiality Assessment
	Article 15	ESG Governance - Double Materiality Assessment
	Article 16	ESG Governance - Double Materiality Assessment
	Article 17	ESG Governance - Double Materiality Assessment
	Article 18	ESG Governance - Double Materiality Assessment
	Article 19	Innovation-Driven Development; Building a Responsible Supply Chain - Supply Chain Management; Strict Control of Product Quality

Chapter 3: Environmental Information Disclosure		
Section 1: Response to Climate Change	Article 20	Response to Climate Change - Strategy
	Article 21	Response to climate change
	Article 22	Response to Climate Change - Strategy
	Article 23	Response to Climate Change - Strategy
	Article 24	Response to Climate Change - Matrices and Targets
	Article 25	/
	Article 26	Response to Climate Change - Matrices and Targets
	Article 27	Promoting Green Operations - Energy Management
Section 2: Pollution Prevention and Control and Ecosystem Protection	Article 28	Promoting Green Operations - Energy Management; Creating Green Products - R&D and Application of Green Products
	Article 29	Promoting Green Operation
	Article 30	Not Applicable
	Article 31	Promoting Green Operations - Management of Three Wastes
	Article 32	After evaluation, the Company's production and operation activities have not had a significant impact on the ecosystem and biodiversity, thus this issue is not applicable.
Section 3: Resource Utilization and Circular Economy	Article 33	Promoting Green Operation
	Article 34	Promoting Green Operation
	Article 35	Promoting Green Operations - Energy Management
	Article 36	Promoting Green Operations - Water Resource Management
	Article 37	Promoting Green Operations - Three Waste Management; Creating Green Products - Green Product R&D and Application

Chapter 4: Social Information Disclosure

Section 1: Rural Revitalization and Social Contributions	Article 38	Rural Revitalization and Community Public Welfare
	Article 39	Rural Revitalization and Community Welfare - Rural Revitalization
	Article 40	Rural Revitalization and Community Welfare - Social Welfare
Section 2: Innovation-Driven Development and Tech Ethics	Article 41	Innovation-driven development
	Article 42	Innovation-Driven Development - Power Electronics Business, R&D System Construction, R&D Innovation Achievements, Innovation Incentives and Innovation Atmosphere Construction, Promoting Industry Development
	Article 43	Innovation-Driven Development - Ethical Management of Artificial Intelligence
Section 3: Suppliers and Customers	Article 44	Co-building of responsible supply chain
	Article 45	Co-building of responsible supply chain - Responsible Supply Chain
	Article 46	During the Reporting Period, we publicly disclosed overdue payments to small and medium-sized enterprises in the National Enterprise Credit Information Publicity System as required, and there is no situation where accounts payable (including notes payable) exceed 50% of total assets.
	Article 47	Strict Control of Product Quality - Quality Management System, Full Process Quality Management
	Article 48	Practicing Responsible Marketing - Information Security and Privacy Protection
Section 4: Employees	Article 49	Employee Care and Cultivation
	Article 50	Employee Care and Cultivation


Chapter 5: Disclosure of Governance Information Related to Sustainable Development

Section 1: Relevant Governance Mechanisms for Sustainable Development	Article 51	ESG Governance
	Article 52	ESG Governance - Double Materiality Assessment
	Article 53	ESG Governance - Stakeholder Communication
Section 2 Business Conduct	Article 54	Standardizing Business Conduct
	Article 55	Standardizing Business Conduct - Anti-Commercial Bribery and Anti-Corruption
	Article 56	Standardizing Business Conduct - Anti-Unfair Competition

Chapter 6 Supplementary Provisions and Interpretations

Supplementary Provisions	Article 57	Appendix - Appendix 4 Index Table
	Article 58	Appendix - Appendix 5 External Verification Statement

Appendix 5: External Assurance Statement



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE GUANGZHOU SHIYUAN ELECTRONIC TECHNOLOGY COMPANY LIMITED'S ESG REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Guangzhou Shiyuan Electronic Technology Company Limited (hereinafter referred to as CVTE) to conduct an independent assurance of the ESG Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all CVTE's Stakeholders.

RESPONSIBILITIES
The sustainability information in the ESG Report for 2025 and its presentation are the responsibility of Board of Directors and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the ESG Report for 2025.
Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.
SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE
The scope of the assurance included evaluation of quality, accuracy and reliability of the sustainability performance information covered by the CVTE's ESG Report for 2025 and evaluation of adherence to the following reporting criteria:

Reporting Criteria
Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No.6, Yunpu 4th Road, Huangpu District, Guangzhou City, Guangdong Province, P. R. China, and remote at subordinate institutions, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of CVTE and did not include traceability of all original data from subordinate institutions.
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



LIMITATIONS AND MITIGATION
Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.
The greenhouse gas emission related data in the ESG Report for 2025 has been directly adopted from the independent third party verification data and has not been double verified in this audit.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from CVTE, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.
The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the CVTE's ESG Report for 2025.

ADHERENCE TO SELF-REGULATORY GUIDELINES NO. 17 FOR COMPANIES LISTED ON SHENZHEN STOCK EXCHANGE—SUSTAINABILITY REPORT (FOR TRIAL IMPLEMENTATION)
The assurance team concludes that the CVTE's ESG Report for 2025 has been prepared in accordance with the requirements of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).

Signed:



For and on behalf of SGS-CSTC

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