



中熔电气
SINO FUSE



SYNOELEC



GAUSSELEC
高石电测

SINO FUSE 2025

Sustainability Report

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About the REPORT

This report marks the second sustainability report released by Xi'an Sinofuse Electric Co., Ltd. (hereinafter referred to as "Sinofuse Electric", "the Company" or "We") to stakeholders. It fully discloses the Company's management approaches and performance in environmental, social and corporate governance aspects in 2025.

Report Boundary

The report discloses Sinofuse Electric and its subsidiaries' fulfillment of responsibilities in economic, social, and environmental aspects, with all relevant typical cases sourced from the Company and its subsidiaries.

Reporting Period

The time span of this report is from January 1, 2025 to December 31, 2025 (referred to as the "reporting period"). To enhance the comparability and forward-looking insights, certain contents are appropriately extended to both preceding and subsequent years.

Reference Bases

United Nations Sustainable Development Goals (SDGs)
Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)
Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Reports (Trial) of the Shenzhen Stock Exchange
ChiNext Self-Regulatory Guidelines for Listed Companies No. 3 - Sustainability Reporting Preparation of the Shenzhen Stock Exchange
Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Reliability Assurance

The Company guarantees that the content of this report is true, accurate, and complete, without any false records, misleading statements, or material omissions.

Report Access

For access to this report, please visit the Company's official website: <https://www.sinofuse.com> or the Shenzhen Stock Exchange website: <https://www.szse.cn>

CHAIRMAN'S SPEECH

Dear Colleagues, Partners, and Friends from All Walks of Life:

In 2025, the global energy transition has advanced in depth, with the dual carbon goals and technological innovation jointly mapping out a new blueprint for industry development. Sinofuse Electric has always adhered to its vision of “becoming an outstanding service provider of energy protection system solutions” and its mission of “safeguarding the safe operation of energy conversion activities for all mankind”. We have deeply embedded the concept of sustainable development at the core of our strategy, and written a new chapter of high-quality development through breakthrough innovation, green transformation, and collaborative social progress.

Based on our core business while expanding our boundaries, Sinofuse Electric have completed the acquisition and integration of Ningbo Gauss-elec Technology Co., Ltd. (GAUSSELEC), achieving a strategic upgrade from “passive protection” to “integrated monitoring and protection”. During the year, two automated current sensor production lines at our Xi'an manufacturing base successfully entered mass production, our Thailand factory steadily expanded its capacity, and the SYNOELEC New Energy Science and Technology Park project was approved and launched, continuously improving our global intelligent manufacturing layout. Today, our products and services have penetrated into new energy electric vehicles, new energy wind and solar power generation, energy storage, data centers, eVTOL, rail transit and other fields, with a service network covering multiple countries and regions worldwide. We meet the application needs of multiple scenarios and have won market recognition with our technological strength and sense of responsibility.

INNOVATION: DRIVING INDUSTRIAL UPGRADING

Centered on digitalization and automation, we have built intelligent production bases covering R&D, manufacturing, quality control and services, and continuously increased R&D investment. Focusing on enhancing product competitiveness, we have established a technical system covering product design, material application, process manufacturing, product testing and verification, and other aspects. In 2025, the Company was granted 76 new patents (including data of subsidiaries and sub-subsidiaries), including 25 invention patents, 50 utility model patents and 1 design patent. The launch of the world's first Pyrofuse for the 1500VgPV category has solved an industry-wide challenge in DC-side safety protection for photovoltaic systems; the SFH-400-B product was awarded “Shaanxi Industrial Boutique”, and the high-voltage current-limiting fuse technology for nuclear power plants won the China Quality Technology Award, with multiple core technologies reaching international leading levels. We have deeply cultivated cutting-edge tracks such as new energy vehicles and energy storage, and with our product advantages of millisecond-level response and full-scenario adaptation, we have become a core partner of global leading enterprises, building a solid safety defense line for energy conversion through technological innovation.

ACTION: FULFILLING DUAL CARBON COMMITMENTS

We integrate green and low-carbon concepts throughout the entire production and operation process. Our distributed photovoltaic power generation projects have continued to make progress, while we purchased green electricity and green certificates throughout the year, achieving 100% use of green energy at our production bases. By building an energy efficiency management platform and implementing a series of measures such as air compressor waste heat recovery and LED energy-saving lighting, the company has comprehensively improved resource and energy utilization efficiency. Projects such as the recycling of plastic pallets have achieved tangible results, realizing a win-win situation for environmental and economic benefits. In product design, we adhere to the

life-cycle concept, optimize the selection of environmentally friendly materials and process innovation, launch product series resistant to extreme climates, enhance climate resilience, and promote the industry's transition to clean and low-carbon development.

OPENNESS: POOLING SYNERGIES FOR DEVELOPMENT

We are well aware that sustainable development cannot be achieved without the collaborative construction of the industrial chain. The company incorporates green environmental protection and social responsibility requirements into core cooperation terms, continuously promoting the improvement of suppliers' ESG management capabilities, with 100% of suppliers signing integrity clauses. To ensure the sustainability, safety and stability of the supply chain, the company strictly implements a conflict minerals management mechanism and establishes a full-process traceable system. Meanwhile, we actively participate in the formulation of national and group standards, attended 11 domestic and international industry exhibitions throughout the year, deepened industry-university-research cooperation, shared technological achievements with industrial chain partners, jointly solved industry problems, and built an open, inclusive, symbiotic and prosperous industrial ecosystem. Through charitable donations, volunteer services and public welfare education assistance activities, we convey warmth and care to society, empower rural education, and enable the achievements of enterprise development to benefit more groups.

INTEGRATION: STIMULATING TALENT VITALITY

We adhere to the people-oriented concept, improve the dual-channel promotion mechanism of “management + professionalism”, launch the “dual-track” training program for management trainees, and build a training system integrating online and offline, committed to enabling every employee to achieve career growth. We attach great importance to the physical and mental health of our employees, with 100% of our production bases passing the ISO45001 Occupational Health and Safety Management System certification and equipped with complete safety protection facilities. Through rich cultural and sports activities and welfare guarantees, the company has created a corporate culture of “respect, trust, unity and mutual assistance”, enabling employees to grow and develop together with the enterprise.

Looking ahead, we will continue to focus on control and protection devices in the new energy field, increase R&D investment in intelligent fuses and integrated solutions, and promote the deep integration of technological innovation and industrial application. We will continue to optimize our global production and service network to enhance response capabilities in overseas markets. We will integrate the ESG concept throughout the entire value chain, deepen green manufacturing and sustainable supply chain construction, and contribute more to the global energy transition.

Dear colleagues and friends, sustainable development is a long-term practice. Sinofuse Electric will always stay true to its original aspiration and forge ahead bravely, join hands with global partners, safeguard energy security through technological innovation, and create a better future through green development!

Thank you!

ABOUT US

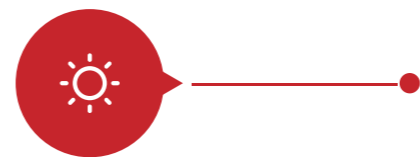


Founded in 2007 and headquartered in Xi'an, Xi'an Sinofuse Electric Co., Ltd. (Stock Code: 301031) operates three major brands: SINO FUSE, SYNOELEC and GAUSSELEC. As a national high-tech enterprise, it specializes in the R&D, production, and sales of control electrical appliances, protection electrical appliances, sensors, electronic products, and system solutions. Aligning with national strategic emerging industries, the Company's business spans new energy vehicles, energy storage, data centers, wind and solar power generation, eVTOL, industrial control, rail transit, and other sectors, delivering leading products and solutions to customers worldwide.

Sinofuse Electric has built a robust independent R&D system and has received numerous national and industry-level honors, earning high recognition from leading enterprises such as CATL, Sungrow Power, and Huawei. With a global footprint, the Company has established subsidiaries and affiliated sub-subsidiaries in Europe, North America, Japan, and South Korea, and is committed to becoming a world-leading provider of energy protection system solutions, providing solid support for energy transition and industrial development.

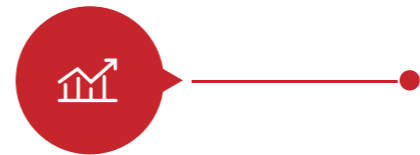
◎ PURPOSE

Taking the professional R&D and manufacturing of fuses as our foundation, we create value by meeting customer needs, give back to society, employees and shareholders, and achieve the common growth of the company and individuals!



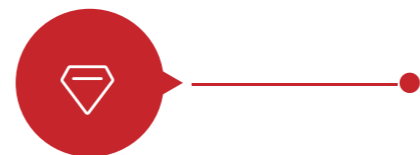
Vision

To be the integrated solution supplier of energy protection system



Mission

To provide guarantee for the safe operation of the whole human energy conversion activities



Shared values

NPAC (Next-Process-as-Customer) Principle under Customer-Centric Approach / Respect, Trust, Unity, Mutual Support / Innovation, Pioneering, Progress
Integrity, Passion / Sense of Mission, Responsibility, Honor, Urgency

DEVELOPMENT HISTORY

2007

- Xi'an Sinofuse Electric Co., Ltd. was registered and established.
- The Company clearly focused on the R&D of power fuses, laying a solid foundation for product and technological development.

2008

- Passed ISO 9001 quality management system certification, systematically building quality control capabilities.
- Established a partnership with Eaton, a Fortune Global 500 company.
- Successfully developed new types of communication fuses, quick-acting fuses and photovoltaic fuses.

2015

- Officially launched the NEEQ listing plan, taking an important step toward accessing the capital market.
- Strategically laid out the new energy vehicle and charging pile market, with relevant products quickly gaining industry recognition.

2016

- Completed the shareholding system reform, and "Xi'an Sinofuse Electric Co., Ltd." was officially established.
- Successfully listed on the NEEQ (stock code: 839450), entering the capital market.
- Incubated and established Xi'an Synoelec Technology Co., Ltd., laying out intelligent electrical and system integration business.

2018

- Obtained IATF 16949 Automotive Quality Management System certification, qualifying to serve global automakers.
- Elected as the deputy director unit of the National Low-Voltage Fuse Standardization Committee, deeply participating in the formulation of industry standards.
- Received joint investment from BAIC and GAC, co-building a production base for new energy vehicle protection devices.

2020

- Successfully passed the GEM listing review, moving to a higher-level capital market platform.
- Secured a design win for Volkswagen's MEB platform for electric vehicles, entering the supply chain of international automakers.

2021

- Established the South Korea Sub-subsidiary.
- Officially listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301031).
- Selected as a national-level "Little Giant" enterprise of specialized, refined, differential and innovative enterprises, with its innovation strength recognized by the state.
- Founded Xi'an SYNOELEC New Energy Technology Research Institute, strengthening R&D capabilities for system solutions.

2023

- Established the Germany Sub-subsidiary and the U.S. Sub-subsidiary.
- The Company's Testing Center obtained CNAS national laboratory accreditation, possessing internationally recognized testing qualifications.
- Won a global exclusive design project with a leading German automaker, demonstrating global technological competitiveness.

2024

- Acquired Ningbo Gauss-elec Technology Co., Ltd., expanding into the current sensor sector.
- The Thailand production base was completed and put into operation, opening a new chapter in global manufacturing and services.

2025

- Established the Japan Sub-subsidiary.
- Honored as a national-level "Single Item Champion Enterprise" in manufacturing, with its new energy vehicle fuses receiving authoritative certification.
- The SYNOELEC New Energy Science and Technology Park in Xi'an High-tech Zone was officially approved and commenced construction, laying a new growth engine for the future.

◎ DEVELOPMENT HISTORY

Powering diverse industries through our specialized brands: SINOFUSE, SYNOELEC, GAUSSELEC.

 <p>SINOFUSE Focusing on power fuse solutions</p> 	 <p>SYNOELEC Developing next-generation protection solutions: Pyrofuses, Smart Fuses, Relays, Integrated Circuit Protection Modules, Electronic Protection Devices</p> 	 <p>GAUSSELEC Developing advanced current sensing technologies</p> 
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Melting Fuse	Pyrofuse	Smart Fuse	Relay
Motor Protection Device	Integrated Product	Current Sensor	

 <p>Business Scope</p> <p>Control Appliances, Protective Appliances, Sensors, Electronic Products, System Solutions</p>	 <p>Market Coverage</p> <p>E-mobility, Renewable Energy (wind & solar power generation & energy storage), Data Centers, EV Charging Infrastructure</p>
<p>350+ Cumulative Patents</p>	<p>20+ Countries and Regions</p>

◎ GLOBAL LOCATIONS



📍 Headquarter
 📍 Branch
 📍 Subsidiary
 📍 Sub-subsidiary

ANNUAL HIGHLIGHTS

NEW BASES

Global Innovation Footprint

- **SYNOELEC New Energy Science and Technology Park breaks ground in Xi'an**
The "new engine" for future growth is officially ignited.
- **GAUSSELEC moves into Ningbo Yingong · Fengqi Industrial Park**
Capacity and team expand in tandem.
- **Sub-subsidiary is established in Japan**
A key node is added to the global network.

NEW BREAKTHROUGHS

Pioneering Innovation

- **73 patents granted in the year**
Innovation strength gains authoritative recognition once again.
- **World's first intelligent fuse applied in the photovoltaic industry**
Precisely addressing customer pain points and overcoming core industry challenges.
- **Pyrofuse applied in EV e-drive AC systems**
Every innovation is people-centric, ensuring the full safety of drivers and passengers.
- **Implementation of the R&D organizational system**
Supporting the strategic transformation through R&D organizational and process reform.

Awards / Honors (Part)

Certifying Authority

China Quality Association Quality Technology Award	China Quality Association
Shaanxi Provincial Quality Benchmark	Shaanxi Provincial Department of Industry and Information Technology
National Manufacturing Individual Champion Enterprise	Ministry of Industry and Information Technology of the People's Republic of China
Shaanxi Industrial Quality Product	Shaanxi Provincial Department of Industry and Information Technology
Second Prize, Qinchuangyuan High-Value Patent Competition	Shaanxi Provincial Intellectual Property Administration
Xi'an Advanced Collective	Xi'an Federation of Trade Unions
Certificate of Sustainable Information Disclosure	Shaanxi Provincial Federation of Industrial Economics

NEW INTELLIGENCE

Smart Upgrade & Capacity Leap

- **Self-developed incentive flexible automated production line is completed and put into operation.**
Annual production capacity exceeds 100,000+ units
- **Third-generation CNC fuse body machine is successfully developed and deployed.**
Single-unit capacity increases by 200%
- **Pyrofuse production line is launched at the Thai factory**
The intelligent manufacturing model sets sail overseas.
- **Current sensor production line is commissioned at the Xi'an factory**
The product portfolio is continuously expanded.

NEW HONORS

Award Winning & Quality Leadership

- **Awards received throughout the year:**
13 industry/customer honors:
6 national/provincial and municipal honors

ESG Rating Agency

Rating

QuantData	AA
Wind	A
Ecovadis	Silver (76)

SMART GOVERNANCE FOR INTEGRITY COMPLIANCE FOR SOLID FOUNDATION

Sound corporate governance is the cornerstone for enterprises to achieve steady and long-term development. Sinofuse Electric has consistently integrated the concept of sustainable development deeply into its entire governance process. By continuously optimizing its governance structure, improving the compliance and risk control system, strengthening business ethics and collaboration with stakeholders, the Company has established a standardized and efficient governance structure with clear rights and responsibilities, providing a solid guarantee for the sustained creation of comprehensive value.

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Corporate Governance	20
Risk Control	23
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Our Actions

- Stakeholder Communication
- Due Diligence
- Corporate Governance
- Anti-Commercial Bribery and Anti-Corruption
- Anti-Unfair Competition

Aligning with SDGs



ESG MANAGEMENT

As a leading enterprise in energy protection system technology for the new energy industry, Sinofuse Electric actively responds to the UN 2030 Agenda for Sustainable Development. It regards environmental, social, and governance (ESG) concepts as a core component of its core competitiveness, and deeply integrates them into its strategic planning and the entire operational process. With the core mission of “providing the market with sustainable energy protection system solutions”, the Company promotes sustainable development through concrete actions. In 2025, the Company formulated feasible sustainable development strategies and objectives, providing a clear roadmap to achieve its sustainable development vision.

Focus
Social Responsibility
Climate Action
Circular Materials

Commitments and Targets

While fulfilling its economic responsibilities, Sinofuse Electric commits to undertaking social responsibility and safeguarding the rights and interests of its employees and the environment.

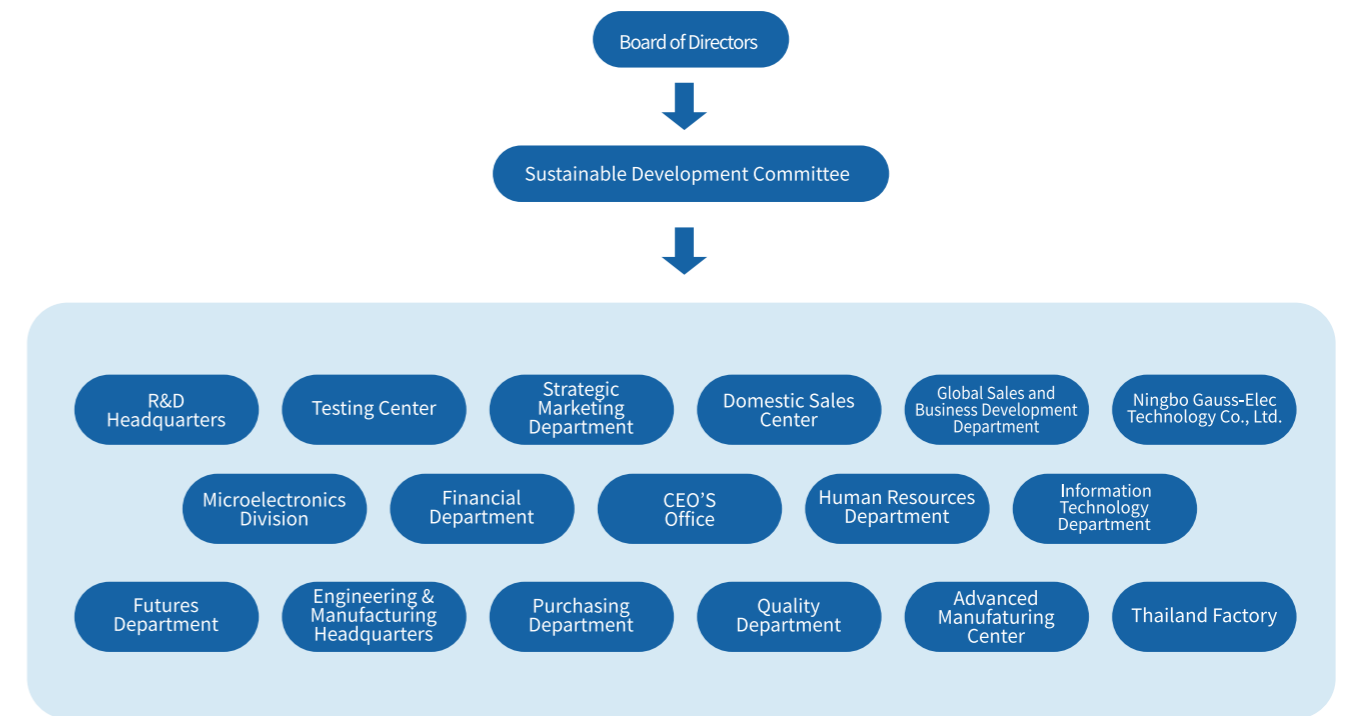
Sinofuse Electric commits to abiding by the Paris Agreement and China’s 3060 Dual Carbon Goals, actively promoting its green and low-carbon transformation, and achieving carbon neutrality by 2050.

2025 Performance

On December 19, 2025, the Xi’an Session of the 18th China International Symposium on Sustainable Information Disclosure was held, jointly organized by Shaanxi Provincial Federation of Industrial Economics, ESG Research Institute of Northwest University of Political Science and Law, and Xi’an Association of Listed Companies. Focusing on the frontier trends and practical paths of corporate sustainable development information disclosure, the conference was an important industry event in the ESG field in Shaanxi region. During the event, Sinofuse Electric was awarded the Certificate of Sustainable Information Disclosure in recognition of its outstanding sustainable development management and high-quality information disclosure achievements.

ESG Governance Structure

The Company continues to deepen the integration of sustainable governance and business development, achieving simultaneous improvement in management efficiency and practical implementation. In 2025, the Company further improved its multi-level, closed-loop ESG governance structure, with the Sustainable Development Committee as the core body for ESG governance, and established a full-chain governance mechanism covering “decision-making, management and execution”. It also clarified the special ESG responsibilities of each functional department, forming a comprehensive management system featured by “overall coordination by the Committee, collaboration among multiple departments and full-process coverage”. In addition, the Company focuses on the three core areas of “social responsibility, climate action and circular materials”, and strengthens practical implementation on key topics including dual-carbon management, human rights protection and supply chain compliance. Through technological innovation, system improvement and industrial chain collaboration, the Company continuously consolidates the foundation for sustainable development management.



Decision-Making Level (Board of Directors)	Management Level (Sustainable Development Committee)	Implementation Level (Functional Departments)
<ul style="list-style-type: none"> Oversee all company ESG initiatives Approve sustainability reports Propose sustainability strategies and target resolutions Review recommendations from the Sustainable Development Committee regarding ESG risk performance improvement, risk identification, measures, and policies Encourage and support the Sustainable Development Committee in collaborating with other standing committees 	<ul style="list-style-type: none"> Exercise ESG-related duties on behalf of the Board of Directors Organize specialized committees to develop, execute, review, and continuously improve ESG-related objectives and plans Deliberate on critical ESG matters, monitor execution, and evaluate progress against targets Review the sustainability reports and provide disclosure recommendations Monitor and assess climate risk trends and related developments Approve the climate change risk register and coordinate the development of corresponding mitigation measures 	<ul style="list-style-type: none"> Execute ESG work plans within respective domains and report progress to the ESG Team Maintain routine engagement with relevant stakeholders within respective operational domains Drive subordinate implementation of ESG tasks and routine management Conduct periodic reviews of ESG performance against established objectives and provide improvement recommendations

Due Diligence And Stakeholder Communication


Effective stakeholder communication serves as a cornerstone of ESG management. Sinofuse Electric has established institutionalized communication channels to comprehensively identify and understand the expectations and concerns of key stakeholders, including shareholders/investors, customers, suppliers, employees, governments/regulators, communities, and the media. The Company is fully committed to fostering collaborative partnerships with all stakeholders to jointly advance the agenda of sustainable development.

Stakeholder Segments	Channels	Material Concerns	Response
Shareholders/Investors	General meeting of shareholders Board of directors meeting Earnings presentation Investor phone conferences Investor relations activities	Innovation-driven Product and service safety and quality Corporate governance Information disclosure and transparency Anti-commercial bribery and anti-corruption	Sustained R&D investment Enhanced product quality Robust governance structure Standardized periodic disclosures Anti-corruption training implementation
Customers	Conference calls Emails On-site visits Customer seminars Product training	Climate resilience strategy Product and service safety and quality Data security and privacy protection Innovation-driven Stakeholder engagement	Clear emission reduction targets Rigorous quality control process Encryption technology application Sustained R&D investment Transparent communication mechanism
Suppliers	Emails Conference calls On-site visits Supplier conferences Instant messages Business review meetings	Climate resilience strategy Energy utilization Supply chain security Data security and privacy protection Use of eco-friendly materials	Green energy transition Energy efficiency improvement plan Supply chain resilience building Data encryption protection Eco-material procurement
Employee	Employee conferences Departmental internal meeting Performance feedback meeting Employee satisfaction survey	Employment and workforce mobility Employee training and development Compensation and benefits Occupational health & safety	Employee turnover analysis Develop systematic training plans Enhance welfare benefits Optimize work environment and facilities
Government/Regulators	Work safety supervision meetings Industry policy seminars Industry-related exchange forums Special policy dialogues	Climate resilience strategy Innovation-driven Anti-commercial bribery and anti-corruption Environmental compliance management	Carbon footprint reduction Sustained R&D investment Eradication of commercial bribery Stringent environmental supervision
Communities/Media	Social media update Community engagement Release of environmental reports Online forum interaction Email communications Multi-stakeholder dialogue Special policy dialogues	Climate resilience strategy Use of eco-friendly materials Waste disposal Pollutant emissions Water resource utilization Ecosystem and biodiversity conservation Environmental compliance management	Carbon footprint reduction Adopting renewable materials Implementing recycling programs Reducing emissions Improving water efficiency Protecting biodiversity Stringent environmental supervision

Materiality Assessment


Dynamic materiality analysis provides clear guidance for ESG management and information disclosure. Based on the two dimensions of financial materiality and impact materiality, the Company takes double materiality assessment as the core principle for compiling its annual sustainability report, formulating long-term sustainability strategic objectives, and conducting stakeholder engagement.

Materiality Assessment Process




Identification

With reference to the relevant guidelines and instructions of the Shenzhen Stock Exchange, the United Nations Sustainable Development Goals (SDGs), the GRI Standards, ISO26000, SASB industry issues and other sustainability-related standards, combined with the ESG rating service organization system and the materiality issue results of peer companies, the Company establishes an ESG issue list comprising 27 items, including 12 environmental issues, 10 social issues, and 5 sustainable development governance issues.



Assessment

For impact materiality, the Company applies the three-factor model of Failure Mode and Effects Analysis (FMEA). It quantitatively evaluates the significance of impacts across four dimensions: scale, scope, irremediability, and likelihood, and calculates the Risk Priority Number (RPN) through aggregation and multiplication.
For financial materiality, the Company incorporates short-term, medium-term, and long-term time horizons. It conducts weighted scoring on financial impacts across these periods to derive a comprehensive financial materiality score.



Validation

The Company constructs a materiality analysis matrix based on assessment outcomes, which clarifies the priority ranking of issue significance. It prioritizes disclosure of highly material issues in the report.
By setting thresholds and prioritizing issues, the Company ensures that resources are concentrated on the most critical ESG topics, thereby effectively advancing its sustainable development initiatives.

In 2025, the Company reviewed and validated the results of material issues from the previous year, disclosed the management and practical performance of 27 issues in the report, and provided detailed responses to key priority issues, including Innovation-driven, Corporate Governance, Supply Chain Security, Response to Climate Change, Data Security and Customer Privacy Protection, as well as Environmental Compliance Management.



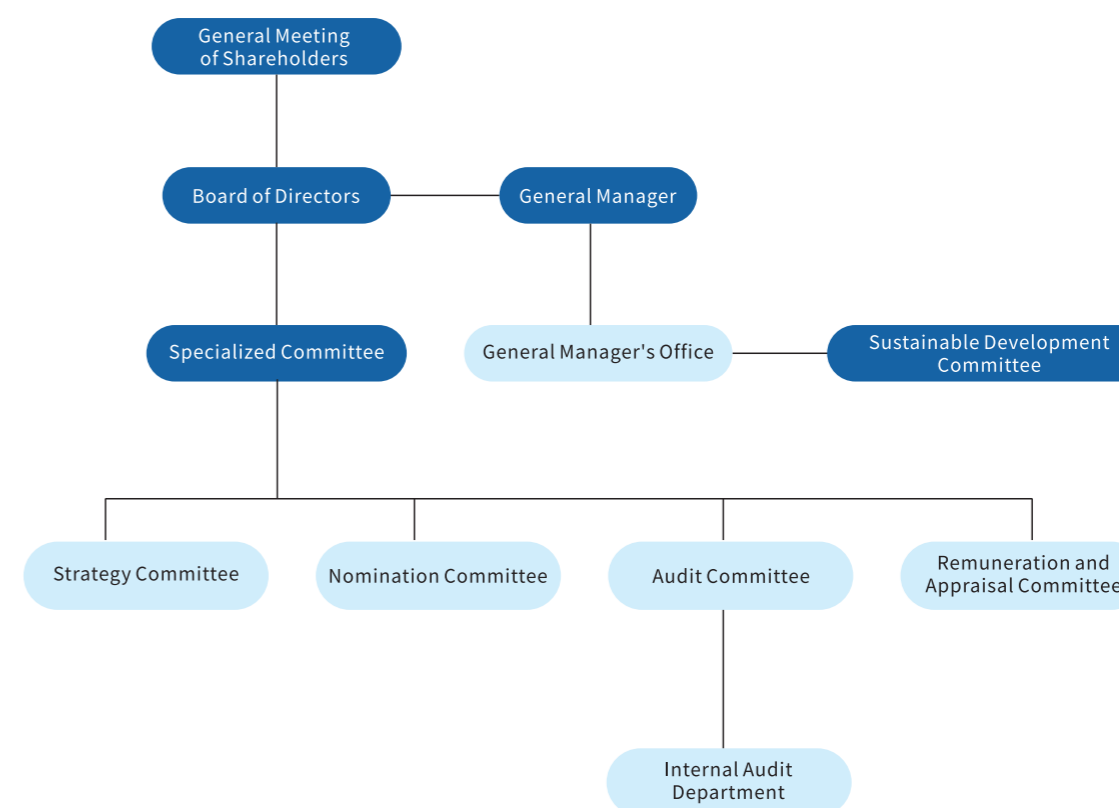
Material Issues List	No.	Issues	Field
Core Issues	1	Innovation-driven	Society
	2	Corporate Governance	Governance for Sustainable Development
	3	Supply Chain Security	Society
	4	Response to Climate Change	Environment
	5	Data Security and Customer Privacy Protection	Society
	6	Environmental Compliance Management	Environment
Financially Materiality Issues	7	Intellectual Property Protection	Society
	8	Employee	Society
Impact Material Issues	9	Waste Disposal	Environment
	10	Pollutant Emissions	Environment
	11	Green Products and Design	Environment
	12	Stakeholder Communication	Governance for Sustainable Development
	13	Circular Economy	Environment
	14	Water Resource Utilization	Environment
	15	Equal Treatment of SMEs	Society
	16	Hazardous Substance Management	Environment
	17	Use of Eco-friendly Materials	Environment
	18	Clean Technology Opportunities	Environment
General Issues	19	Clean Technology Opportunities	Environment
	20	Clean Technology Opportunities	Governance for Sustainable Development
	21	Clean Technology Opportunities	Society
	22	Clean Technology Opportunities	Society
	23	Clean Technology Opportunities	Governance for Sustainable Development
	24	Clean Technology Opportunities	Society
	25	Clean Technology Opportunities	Society
	26	Clean Technology Opportunities	Governance for Sustainable Development
	27	Clean Technology Opportunities	Environment

© CORPORATE GOVERNANCE

Strictly adhering to relevant laws, regulations and regulatory requirements such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, Sinofuse Electric continuously improves its corporate governance level and lays a solid institutional foundation for sustainable value creation through a sound governance structure, standardized performance of duties, diverse and independent decision-making mechanisms, a robust investor rights and interests protection system, and a transparent information disclosure mechanism.

Governance

The Company has established a governance system with clear powers and responsibilities and efficient operation, giving full play to the role of the General Meeting of Shareholders as the highest authority, the Board of Directors for major decision-making, the management for implementation, and the Audit Committee for oversight, and building a modern governance structure where all parties coordinate efficiently and check and balance each other. Under the Board of Directors, there are four special committees, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Audit Committee. Each committee carries out its work in accordance with clear institutional norms, such as the Rules of Procedure for the Strategy Committee of the Board of Directors, the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors, the Rules of Procedure for the Nomination Committee of the Board of Directors, the Rules of Procedure for the Audit Committee of the Board of Directors, the Working System for Independent Directors, and the Special Meeting System for Independent Directors, so as to fully protect the rights and interests of shareholders and the standardized operation of the Company.



CORPORATE GOVERNANCE STRUCTURE

Risk Management

The General Meeting of Shareholders is the highest authority of the Company, and the Board of Directors is accountable to the General Meeting of Shareholders. The directors are elected by the General Meeting of Shareholders, with the Board of Directors serving a three-year term. Their nomination methods and procedures are detailed in the Articles of Association of the Company and other documents.

Board of Directors Construction

The Company continuously promotes the improvement of diversity and independence, requiring independent directors to meet the independence criteria mandated by the Administrative Measures for Independent Directors of Listed Companies and the Self-Regulatory Guidelines for Shenzhen Stock Exchange Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies. These criteria include, but are not limited to, not holding any position in the Company other than independent director, having no relationship with the Company or its controlling shareholder that may hinder independent and objective judgment, and not obtaining any additional undisclosed benefits from the Company, its controlling shareholder or their affiliated entities. In addition, the Company requires that at least one independent director shall be an accounting professional and one independent director shall have industry experience to ensure that the Board of Directors effectively manages relevant matters within the Company.

In May 2025, the Company completed the election of the 4th Board of Directors, electing 5 non-independent directors and 3 independent directors, and electing 1 employee representative director through the Employees' Representative Congress, injecting new vitality into the Board of Directors. As of the end of 2025, the Board of Directors has 9 directors in total, including 3 independent directors, 2 female directors, and 7 directors with industry experience. The independent directors cover professional fields such as accounting, law and technology, and account for 66.7% of the Remuneration and Appraisal Committee, the Audit Committee and the Nomination Committee respectively, effectively ensuring the independence and professionalism of the decision-making of the Board of Directors.

Performance Empowerment

The Company formulates detailed provisions on the convening, voting, and proposal deliberation of Board of Directors meetings in the Rules of Procedure for Board Meetings to ensure that meetings of the Board of Directors are compliant and efficient. In 2025, directors of the Company fulfilled their duties diligently, holding a total of 6 Board of Directors meetings with a 100% attendance rate. They successively reviewed and approved a series of important proposals, including the 2024 Annual Sustainability Report, the System for Preventing Funds Occupation by Major Shareholders and Other Connected Parties, and the Public Opinion Management System, promoting the implementation of sustainable management at the top-level decision-making level.



Strategy

The Company has established a performance evaluation system grounded in compliant operations and centered on strategic objectives, ensuring that the evaluation process is standardized and transparent, and the results are objective and impartial. At the Board of Directors level, in accordance with the Working Rules of the Board Remuneration and Appraisal Committee, the Remuneration and Appraisal Committee takes the lead in formulating evaluation standards covering the Company's overall operations as well as the performance of duties by directors and senior management. It focuses on key dimensions such as the achievement of strategic objectives, the fulfillment of operating performance, and the control of compliance risks in the conduct of its evaluation work.

In line with the requirements of the Internal Audit System, the Internal Audit Department participates in performance supervision through independent and objective audit activities. It conducts inspections on the compliance of system implementation and the completion of performance indicators by each department, supervises audited units to formulate and implement rectification plans in a timely manner, and establishes a closed-loop management mechanism of "formulating standards, conducting evaluations, carrying out audit supervision, and promoting rectification and optimization", thereby providing strong support for the implementation of the Company's strategy and the creation of sustainable value.

Related Party Transactions and Conflict of Interest Management

The Company formulates the System for Preventing Funds Occupation by Major Shareholders and Other Connected Parties, establishing a full-process and multi-level control system for related party transactions and conflicts of interest.

In terms of related party transaction management, the Company clearly defines prohibited situations for operational and non-operational fund occupation, strictly prohibiting major shareholders and connected parties from occupying the Company's funds through twelve types of means, including advance payment of expenses, fund lending, and guarantees without real transaction background. All related party transactions strictly follow the review and approval procedures of the Board of Directors or the General Meeting of Shareholders; matters exceeding the approval authority of the Board of Directors are submitted to the General Meeting of Shareholders for voting. Connected directors and connected shareholders recuse themselves from voting in accordance with the law to ensure fair transaction pricing and compliant procedures.

In terms of conflict of interest, by improving the Articles of Association and relevant systems, the Company clarifies the fiduciary duties and recusal principles of directors and senior management, requiring relevant personnel to proactively declare potential conflict of interest matters. The Audit Committee coordinates the conduct of compliance reviews on related party transactions and inspections on fund transactions; the Finance Department regularly identifies risks of non-operational fund occupation. This forms a full-chain control mechanism of "pre-event prevention, in-event monitoring, and post-event accountability", effectively safeguarding the legitimate rights and interests of the Company and all shareholders, especially minority shareholders.

Senior Management Remuneration

The Company deeply integrates the concept of sustainable development into the senior management remuneration system, establishing a remuneration mechanism characterized by "equity between powers and responsibilities, performance orientation, and long-term incentives".

The senior management remuneration policies and schemes are formulated and reviewed by the Board's Remuneration and Appraisal Committee. Based on comprehensive considerations including the Company's strategic guidelines, industry benchmarking remuneration levels, as well as the specific responsibilities and time commitments of senior management, the Committee ensures the independence and impartiality of remuneration formulation by prohibiting any director or their affiliates from participating in formulating their own remuneration.

The senior management remuneration structure includes basic position salary, performance-based salary, subsidies and benefits, annual bonuses, and equity incentives. The basic position salary provides fundamental guarantee; the performance-based salary is linked to indicators such as the Company's short-term strategic objectives, operating performance, product innovation, and market development; equity incentives promote the Company's long-term, stable, and high-quality development through interest binding. The remuneration schemes are implemented after being reviewed and approved by the Board of Directors and other relevant meetings, with the Remuneration and Appraisal Committee conducting full-process supervision over the implementation of the system to ensure that remuneration incentives are deeply aligned with the Company's sustainable development goals.

Investor Communication

To protect the rights and interests of investors and other stakeholders, especially minority shareholders, the Company strictly complies with relevant regulatory requirements on information disclosure, attaches great importance to information disclosure and investor communication, earnestly listens to the opinions and suggestions of minority shareholders, responds to investor concerns, and actively disseminates relevant information about the Company. The Company also formulates the

Public Opinion Management System, established a public opinion working group led by the Chairman, and built a rapid response and emergency disposal mechanism to promptly address all types of public opinion information that may affect the Company's stock price and investor decisions. Through clarification announcements, investor communications, and other means, it eliminates market misunderstandings and safeguards the legitimate rights and interests of investors.

During the reporting period, on the basis of high-quality fulfillment of mandatory information disclosure obligations, the Company expanded voluntary disclosure on key areas of concern to investors and the capital market, including corporate strategy, corporate governance, green operations, employee rights and interests, and supply chain management, continuously improving the quality and transparency of disclosure. In 2025, the Company obtained a B rating for exchange information disclosure performance. It issued 95 ad-hoc announcements throughout the year without any information disclosure errors, responded to 79 investor inquiries via the exchange's e-interaction platform, and received more than 50 investor research visits. Through multiple channels, the Company has built an efficient communication bridge, fully safeguarding investors' right to know and right to participate, and promoting positive interaction between the Company and the capital market.

Investor Rights and Interests

Regarding profit distribution, the Company strictly implements profit distribution plans with clear dividend standards and ratios, and standardized and complete decision-making procedures. In 2025, the Company completed two cash dividend distributions successively, rewarding all shareholders with a reasonable profit distribution plan and effectively safeguarding shareholders' right to investment returns.

On May 12, 2025, the Company convened the 2024 Annual General Meeting, which reviewed and approved the Proposal on the 2024 Annual Profit Distribution Plan and the 2025 Interim Cash Dividend Proposal. Based on the total share capital of 66,277,427 shares as of December 31, 2024, after deducting 261,600 shares held in the Company's share repurchase special account, the Company used 66,015,827 shares as the distribution base, distributing a cash dividend of RMB 6.5 per 10 shares (tax inclusive) to all shareholders, with a total cash dividend of RMB 42,910,287.55 and no stock dividends issued. Meanwhile, it converted capital reserve into share capital by issuing 4.8 shares for every 10 shares held by all shareholders, with a total share capital increase of 31,687,596 shares, which was completed on May 30, 2025.

In the second half of 2025, based on the total share capital of 98,322,480 shares in the current period, after deducting 261,600 shares held in the repurchase special account, the Company used 98,060,880 shares as the distribution base, distributing a cash dividend of RMB 0.70 per 10 shares (tax inclusive) to all shareholders, with a total cash dividend of RMB 6,864,261.6. This dividend distribution was completed on September 18, 2025.

Targets & Indicators

Indicators (times)	2023	2024	2025
General Meeting of Shareholders	4	2	2
Board of Directors Meeting	8	5	6



© RISK CONTROL

Adherence to law-based and compliant operations has long been a fundamental principle for Sinofuse Electric. Governance systems are continuously enhanced, institutional norms refined, and management and control procedures optimized to ensure all business conduct aligns with applicable laws, regulations, industry standards and internal policies. The Company has established a full-process, multi-layered risk management and control system, delivering robust support for its steady development through scientific risk identification, quantitative assessment, targeted response and dynamic review.

Internal Control and Compliance

Drawing on industry characteristics and its actual operating conditions, and based on laws and regulations such as the Supervision Law of the People's Republic of China and the Audit Law of the People's Republic of China, the Company designates the Internal Audit Department as the core authority for compliance supervision and formulates the Internal Audit System, and establishes a comprehensive compliance management system covering multiple fields including corporate governance, market transactions, labor employment, and information security. Continuous efforts are made to improve the business compliance review mechanism, with the successive issuance of a series of compliance systems such as the Sales Management System, Procurement Management System, Related Party Transaction Management System, and Information Security Management Regulations. These systems cover various business areas and management levels, including procurement, sales, investment, guarantee, fund raising and utilization, and information disclosure. Internally, regular evaluations and updates of compliance management documents are conducted to keep pace with changes in laws, regulations and industry trends, ensuring the timeliness and applicability of the systems. Managers and employees actively participate in the implementation of compliance systems, fostering a compliance execution atmosphere characterized by "promotion from top to bottom and implementation from bottom to top".

Risk Management

To strengthen the construction of risk prevention and control barriers, the Company revised and optimized the Risk and Opportunity Control Procedure in 2025, while continuously improving its risk management framework. It clarified that the General Manager serves as the main body responsible for organizing and leading the identification of risks and opportunities, the Quality Department is tasked with summarizing the list of risks and opportunities and submitting it for review, and each functional department is responsible for identifying, controlling, and feeding back risks related to its own scope. A risk management process covering key links such as risk identification, assessment, mitigation, and monitoring has also been established.



Crucial Risk Identification and Management

Risk Category	Risk Description	Countermeasures
Quality Risks	Direct or indirect quality issues such as defects in product design, non-compliant raw materials, and inadequate control over production processes may result in customer returns, product replacements, civil compensation, and damage to brand reputation	Establish a full life-cycle quality control mechanism, implement the Failure Mode and Effect Analysis Control Procedure in the design stage, strengthen supplier quality audits and incoming material inspections in procurement, optimize process parameters in production, conduct first-article inspection and in-process patrol inspection, define traceability and rectification procedures for quality issues, to minimize quality risks to the maximum extent
Operational Risks	Raw material supply	Establish a qualified supplier list, set safety stock levels, and sign environmental protection agreements
	Loss of key personnel	Improve the incentive mechanism, establish a knowledge inheritance system, and cultivate multi-skilled talents
	Equipment failure	Implement regular maintenance plans, maintain spare parts inventory for key equipment, and establish an emergency repair mechanism
	Supply and sales chain disruption	Mitigate impacts by optimizing supplier management, diversifying sales channels, and enhancing supply and demand forecasting
Safety and Environmental Risks	Including personal injuries, equipment safety incidents during production, and environmental pollution risks such as exhaust gas, wastewater and dust emissions	Formulate safety operation procedures, conduct employee safety training, provide protective equipment and environmental protection facilities, and establish a risk early warning and emergency response mechanism
		Regularly identify and evaluate environmental factors, maintain environmental protection equipment and monitor pollutant discharge to ensure compliance with national and local environmental standards
Market and Financial Risks	Misjudgment of market capacity, fluctuations in competitiveness, price volatility, etc.	Strengthen market research, optimize product portfolio, and enhance core technological competitiveness
	Financing difficulties, delayed fund recovery, bad debts, etc.	Ensure financial stability by improving the financial management system, optimizing capital efficiency, strengthening accounts receivable control, and establishing a risk fund

© BUSINESS ETHICS

Sinofuse Electric upholds the principles of integrity, transparency and self-discipline in its operations, and strictly complies with China’s anti-corruption laws and regulations as well as the United Nations Convention against Corruption. By improving institutional norms, enhancing training and communication, opening up reporting channels, and adhering to the bottom line of fair competition, the Company fosters a fair, impartial, transparent and ethical business environment.

Business Ethics Requirements

The Company has formulated a series of regulatory documents, including the Social Responsibility Management System and the Anti-Fraud and Reporting Management System, which define the core requirements and code of conduct for business ethics. These documents cover key areas such as commercial bribery, conflicts of interest, information confidentiality and fair competition. Any form of corruption, bribery, fraud, money laundering and other misconduct is explicitly prohibited, applicable to all business partners including employees (including contract workers and temporary staff), suppliers, contractors and service providers.

Internal Management	Supply Chain Management	Conflict of Interest and Insider Trading
<p>The Company strictly prohibits employees from soliciting or accepting improper benefits from business partners, including cash, valuable gifts, kickbacks and other advantages. Standards for business hospitality are clearly regulated, and high-cost consumption or excessive entertainment is forbidden.</p> <p>Staff in the Procurement Department have signed Integrity Agreements with the Company. The Management System for Asset Procurement Tendering Processes has been formulated to ensure that the procurement process is compliant, transparent and based on fair competition.</p>	<p>Through the Supplier Social Responsibility and Sustainable Development Commitment, the Company clarifies integrity requirements for suppliers and prohibits suppliers from obtaining cooperation opportunities through improper means, with the aim of building a clean and win-win cooperation ecosystem.</p>	<p>Employees are required not to hold financial interests or serve in relevant positions in entities having material business relations with the Company. The use of corporate resources to pursue personal business opportunities is strictly prohibited.</p> <p>The Company takes rigorous measures to prevent conflicts of interest and insider trading, and regulates external information disclosure and government interactions to ensure that communications are true, accurate, compliant and duly authorized.</p>

Strengthening Education and Training

Anti-corruption training is regarded as a critical measure to enhance employees’ business ethics. Integrity and duty performance training is delivered by the Internal Audit Department, covering core modules such as interpretation of laws and regulations, corporate policies and professional ethics. Such training helps employees draw a clear line against corruption and uphold ethical business standards. Through internal publicity, case warnings and policy promotion, the Company disseminates the philosophy of anti-corruption and integrity to employees and partners alike, strengthens compliance awareness across the organization, fosters a deeply rooted culture of integrity, and cultivates a corporate atmosphere of honesty and self-discipline.

Reporting and Grievance Mechanism

The Company has clearly defined various fraudulent acts, including disclosure of confidential information, acceptance of bribes, fraud, violation of non-compete obligations, property encroachment, collusive fraud and fictitious transactions. It also identifies serious violations equivalent to fraud, such as failure to declare conflicts of interest, unauthorized engraving of seals, falsification of performance data and improper reimbursement. On this basis, the Company has established multiple reporting channels for all employees and stakeholders, including a hotline, email and written correspondence, encouraging the reporting of fraud, dereliction of duty, bribery, kickbacks and other irregularities.

Whistleblowing Channels

- Hotline** A dedicated whistleblower hotline 029-68590655 is established, offering manual answering services from 9:00 AM to 5:00 PM, Monday through Friday.
- Email** The email address HR@sinofuse.com is specifically used to receive all types of corruption-related reports. A designated person from the Company's compliance management department regularly checks this mailbox to ensure timely handling of reported information.
- Mailing Address** Human Resources Department of Xi'an Sinofuse Electric Co., Ltd. For reports submitted via mail, please provide as detailed information as possible to ensure accurate reflection of corruption-related leads.

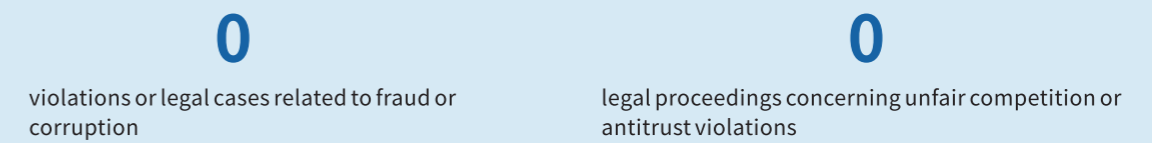
Whistleblower Protection Measures

- Confidentiality of identity** The Company strictly keeps the identity information of whistleblowers confidential, including but not limited to name, contact details, and job position. Throughout the entire process of accepting reports, conducting investigations, and subsequent handling, staff members who come into contact with the report information are required to sign confidentiality agreements to ensure that the whistleblower's information is not leaked. No one may disclose the whistleblower's information to any third party without the whistleblower's written consent.
- Safety assurance** The Company shall implement appropriate protective measures for whistleblowers facing personal safety threats or other circumstances that may adversely affect their normal work or life due to reporting activities. The Company shall provide necessary security support for whistleblowers, including facilitating job position or workplace adjustments to mitigate potential risks, and seeking police assistance when required.
- Protection against retaliation** The Company maintains a zero-tolerance policy toward all forms of retaliation. Any individual found to have improperly disclosed whistleblower information or engaged in retaliatory conduct shall be subject to serious disciplinary action, including warning, demotion and termination of employment. Cases constituting a criminal offense shall be referred to judicial authorities. Whistleblowers who provide verified information may receive appropriate rewards based on investigation outcomes and the value of economic losses recovered. The Company reserves the right to pursue legal liability against those who submit malicious reports involving false accusations or defamation.

Commitment to Fair Competition

The Company firmly opposes unfair competition practices and upholds the principles of fair and impartial market competition. It regularly organizes senior management teams to study relevant laws and regulations, ensuring that all business activities comply with the requirements of the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and other applicable provisions. Employees of the Company are prohibited from being concurrently employed by business entities with competitive relations or using the Company's resources to provide convenience for competitors. In market transactions, it strictly adheres to laws, regulations, and industry norms, refraining from false promotion, fictitious transactions, and refraining from adopting unfair means such as commercial bribery and collusive bidding to gain competitive advantages. Meanwhile, the Company extends anti-fraud and business ethics requirements to the supply chain cooperation links. Through institutional constraints and promotional notifications, it guides partners such as suppliers and customers to jointly abide by business ethics and norms, building an honest and win-win cooperation ecosystem.

2025 Performance



GUARD THE ECOLOGY WITH CARE ADVANCE GREEN IN EVERY ACTION

Green transition is the essential path to addressing climate change and a new engine for economic and social development. Sinofuse Electric continuously advances the layout of green manufacturing, rationally controls energy and resource consumption, introduces advanced environmental protection facilities and green energy, strictly controls pollutant discharge, and increases the share of green products. In response to the national “Dual Carbon” goals, the Company makes concrete contributions to environmental protection and sustainable social development.

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Our Actions

- Environmental Compliance Management
- Waste Disposal
- Pollutant Emissions
- Water Resource Utilization
- Hazardous Substance Management
- Noise monitoring
- Response to Climate Change
- Use of Eco-friendly Materials
- Green Products and Design
- Circular Economy
- Clean Technology Opportunities
- Ecosystem and Biodiversity Conservation

Aligning with SDGs



Topic: Addressing Climate Change & Accelerating Green Transition

Sinofuse Electric actively addresses the climate transition, firmly promotes the improvement of environmental governance, and discloses information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The Company actively responds to the 1.5°C temperature rise target set forth in the Paris Agreement and the Carbon Peaking Action Plan Before 2030 issued by the State Council. It fully integrates climate risk governance into business operations and strategic planning, and has established a climate governance system with clear hierarchy and well-defined responsibilities. The Company has established a three-tiered climate change risk management system comprising the governance, management and implementation levels. As the ultimate decision-making body for sustainable development, the Board of Directors assumes full responsibility for climate governance and works with the Strategy Committee to integrate the carbon neutrality objective into the Group's medium- and long-term development strategy. The Company has set up a Sustainable Development Committee as the core entity for ESG governance, which coordinates with the Finance Department, Human Resources Department, R&D Center, Engineering and Manufacturing Center and other business units. Against this governance framework, the Company defines the climate governance responsibilities of each department as follows: The Engineering and Manufacturing Center and Advanced Manufacturing Center lead energy optimization and production emission reduction; The Procurement Department drives the low-carbon transformation of the supply chain; The R&D Center focuses on green product design; The Information Technology Department supports the digital management of carbon footprint; The Strategic Marketing Department and domestic and overseas sales centers are responsible for capturing market demand and promoting low-carbon initiatives. Through well-defined roles and cross-departmental collaboration, the Company ensures that climate governance is effectively translated from strategic planning into concrete actions, laying a solid governance foundation for the achievement of its 2050 carbon neutrality goal.

Risk Management

In reference to the framework recommended by the TCFD, the Company identifies, assesses and manages climate-related risks and opportunities that may affect the Company, and integrates the ESG philosophy into its business risk management processes. Based on the outcomes of risk and opportunity identification and assessment, it adopts effective response measures and takes climate and environmental factors into account in business operations including project implementation, supply chain management, and research and development innovation, enhancing its climate resilience. Through well-defined roles and cross-departmental collaboration, the Company ensures that climate governance is effectively translated from strategic planning into concrete actions, laying a solid governance foundation for the achievement of its 2050 carbon neutrality goal.



Type of Climate Risk		Risk Description	Time Horizon	Financial Impact	Response Measures	
Transition Risks	Policy & Legal Risk	ESG Reporting Obligations	The continuous improvement of China's sustainable information disclosure standards has imposed higher requirements on corporate ESG disclosure.	Medium-term	Increased expenses Increased non-operating expenses	The Company regularly discloses environmental information in accordance with applicable laws and regulations, and develops and issues a standalone sustainable development report.
	Technological Risk	New Technology Investment Risk	The Dual Carbon policy has accelerated industry development and intensified competition. The Company needs to proactively invest in R&D of new technologies to maintain its market position, which may involve the risk of R&D failure.	Long-term	Increased costs	The Company has a sound R&D system, extensive R&D experience, and industry-leading technological and financial strengths, resulting in a low risk of failure in new technology R&D.
	Market Risk	Market Policy Changes	Any major adverse changes to national new energy industrial policies in the future may negatively affect the operating performance of the Company's downstream	Medium-term	Increased costs	The Company continuously increases R&D investment in product and process design, enhances new product development and iteration capabilities, and diversifies its exposure to
	Reputational Risk	ESG Negative Incidents	Customers, investors and other stakeholders are paying greater attention to environmental disclosure. Failure to meet stakeholder expectations may adversely affect the Company's corporate image and reputation.	Short-term	Decreased revenue	The Company has established a comprehensive ESG management system, integrating ESG management into risk control to prevent the occurrence of ESG negative incidents.
Physical risk	Acute Risk	Rainstorms and Floods	Climate change has increased the frequency of extreme precipitation and floods, raising the probability and potential losses of disaster impacts on the Company.	Medium-term	Increased capital expenditure Increased costs Decreased revenue	The Company has formulated and implemented a flood control emergency management system, equipped emergency equipment and supplies, conducted flood disaster analysis, and established an emergency drill mechanism.
	Chronic Risk	Rising Average Temperatures	The Company's office and production facilities are located in subtropical regions and are vulnerable to high temperatures caused by long-term climate change.	Long-term	Increased costs Decreased revenue	The Company provides employees with cooling/heating allowances, improves cooling systems in plants and offices, develops an emergency response plan for heatstroke prevention, and realizes energy conservation and consumption reduction in cooling systems.

Type of Climate Opportunity		Opportunity Description	Time Horizon	Financial Impact	Response Measures
Resource Efficiency	Improved Resource Utilization Efficiency	By optimizing management models, adopting low-carbon technologies and replacing energy-saving equipment, the Company reduces resource consumption in production and office operations, thereby lowering costs.	Short-term	Cost reduction	The Company builds an energy efficiency management platform to realize in-depth management of electricity, water and other energy resources, and achieves full-range monitoring and early warning.
	Use of Renewable Energy	By optimizing its energy mix, the Company increases the share of renewable energy in total energy consumption, to reduce reliance on fossil fuels, enhance resilience to climate change and cut carbon emissions.	Short-term	Cost reduction	The Company continuously optimizes its energy mix and actively embraces green energy and the circular economy.
Products and Services	Green Products and Services	The Dual Carbon strategy drives the low-carbon transformation of the industry. The Company can launch products more aligned with the “Dual Carbon” policy through technological innovation to meet market demand and increase revenue.	Medium-term	Revenue growth	With a clear strategic layout, the Company focuses on the high-end market for power fuses. Having expanded into emerging industrial sectors including communications, new energy wind and solar power generation, and rail transit, it will prioritize the new energy vehicle and energy storage markets.
Market	International Market	Active implementation of sustainable development strategies further enhances the Company’s international reputation, meets the sustainability requirements of international clients, and supports high-quality global development.	Short-term	Revenue growth	The Company attaches importance to overseas business expansion, proactively improves product technology and management capabilities, and adopts energy-saving and carbon-reduction measures to comply with international environmental policies and gain recognition from the global market.
	New Energy Market	The Dual Carbon transition expands the new energy market and drives the rapid development of the Company’s core business.	Short-term	Revenue growth	The Company actively deploys in the new energy sector and gradually expands its market share by relying on its advantages in R&D innovation, comprehensive costs and customer resources.
Resilience	Corporate Resilience	Enhanced adaptive capacity to climate change to better manage related risks and seize opportunities.	Short-term	Revenue growth Cost reduction	The Company improves its climate risk and opportunity management system, forecasts and assesses potential risks and opportunities, evaluates their impacts, and formulates corresponding response measures.

Strategy

The Company is deeply engaged in the new energy sector. Through source emission reduction, process control and end-of-pipe treatment, it promotes clean production and low-carbon energy transition. Guided by the philosophy of continuous improvement, the Company collaborates with customers and partners to build a green and low-carbon industrial chain.

Green Design

The Company has established a product environmental protection control procedure and is committed to developing low-carbon and eco-friendly products. It actively explores the application of renewable materials and advances the practice of circular economy across its product portfolio, while continuously optimizing material selection standards. Materials with lower environmental impact are given priority in product design and procurement. The Company has put in place a green material evaluation system and focuses on the green substitution of key product materials.



R&D and Design

The Company embraces a full life-cycle management philosophy, integrating environmental protection, resource and energy conservation, and sustainable development into every stage of product R&D to minimize environmental impacts at the source.



Raw Material and Process Selection

The Company implements a green procurement strategy, prioritizing suppliers of eco-friendly raw materials in R&D and procurement activities. Clean production technologies are applied in manufacturing to ensure pollutant emissions are superior to applicable standards, while raw material usage features low energy consumption and non-hazardous operations with fully compliant emissions.



End-of-Life Disposal Design

The Company focuses on the recyclability of end-of-life products, optimizes product structure for ease of disassembly and refurbishment, ensures safe disposal upon product retirement, and maximizes resource circularity and utilization efficiency.

Since its establishment, the Company has been committed to the R&D and technological innovation of products in the field of electrical protection. Its products are widely used in new energy sectors including new energy vehicles, wind and solar power generation, energy storage and charging infrastructure, smart grids, and rail transit.

Against the backdrop of accelerating global energy transition toward low-carbon development, the Company leverages its profound understanding of application scenarios in the new energy industry to continuously break through technological barriers. Its products boast core strengths of high breaking capacity, rapid response, precise current protection and long service life design.

Backed by reliable electrical protection technologies, Sinofuse Electric has become a long-term partner of leading battery manufacturers, vehicle enterprises and energy storage system integrators at home and abroad. The Company safeguards the safe and stable operation of equipment, supports the global energy transition, and contributes to energy conservation and carbon reduction.

Technological Innovation Achievements

Special Fuse for High-Voltage Energy Storage Systems

In response to the safety requirements of energy storage systems of 1000V and above, the Company has launched products with high breaking capacity and low power consumption, helping to enhance the safety and energy efficiency of energy storage power stations.

Intelligent Diagnostic Fuse Solution

By integrating sensor and Internet of Things technologies, the solution enables real-time monitoring of system status and fault early warning, providing data support for safety protection of the Battery Management System (BMS).

Automotive-Grade Ultra-Thin Fuse

In line with the lightweight and compact space trends of new energy vehicles, the Company has significantly reduced product volume while ensuring performance, meeting the design requirements of next-generation electric vehicles.

Case: Launch of Extreme Climate-Resistant Product Series to Enhance Climate Resilience

In April 2025, Sinofuse Electric participated in the 49th Middle East International Electricity and Solar & Storage New Energy Exhibition (MEE Dubai 2025). Aligning with global trends in energy transition and sustainable development, the Company showcased new energy electrical protection solutions tailored for the Middle East market.

As key regions for global energy transition, the Middle East and Africa are witnessing explosive growth in demand for power safety, driven by strategic initiatives including Saudi Arabia's Vision 2030 and the United Arab Emirates' hydrogen energy strategy. Sinofuse Electric provides multi-scenario, serialized products to help enhance local grid security and energy efficiency. Through product innovation, the Company responds to global climate governance imperatives and promotes the high-quality development of the new energy industry.

In response to the high-temperature and high-humidity environment in the Middle East, the Company launched an extreme climate-resistant EV fuse series adapted to local automotive applications. Its high-speed fuses for energy storage systems deliver millisecond-level safety response, providing reliable protection for the construction of local "zero-carbon cities." Equipped with IoT monitoring modules, the Company's intelligent fuses enable real-time capture of current and temperature data as well as remote fault early warning, fully meeting the requirements of smart grid development.

Green Manufacturing

The Company regularly assesses greenhouse gas emissions from its operational activities and proactively conducts verification of corporate carbon emissions and product carbon footprints. By establishing an energy efficiency management platform, it continuously optimizes energy management, promotes the application of energy-saving technologies and the upgrading of equipment, and enhances the efficiency of energy and resource utilization.

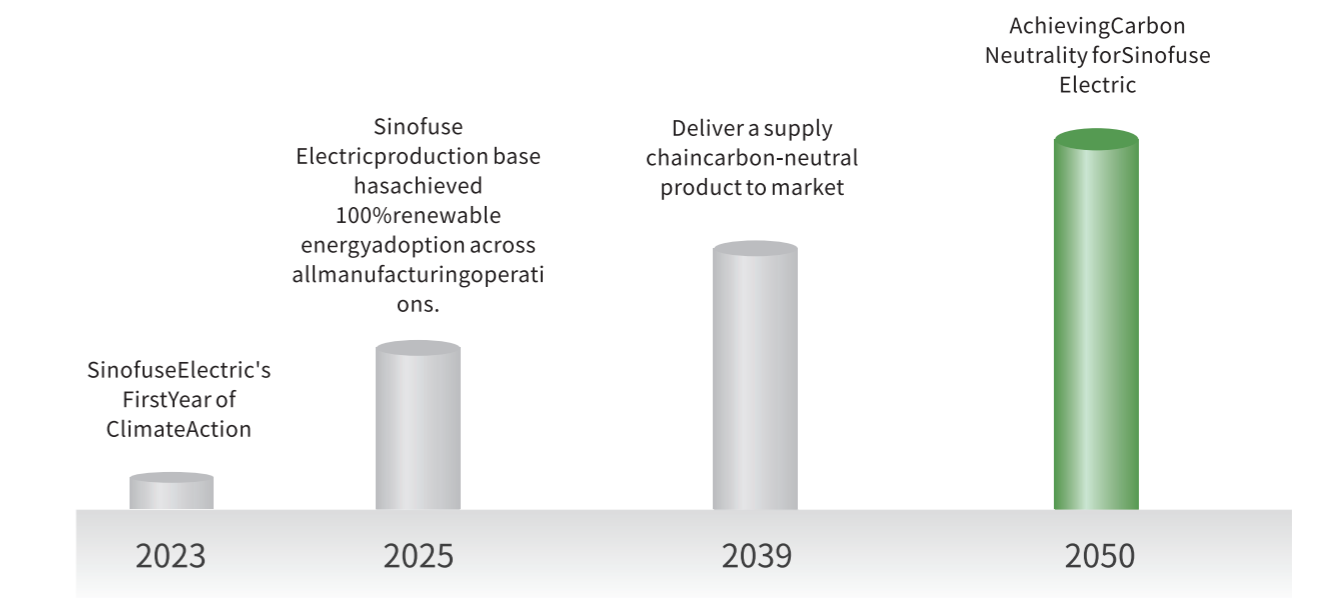
Energy Structure Optimization		
Renewable Energy Application	<ul style="list-style-type: none"> Deploy a distributed photovoltaic power generation system on factory building roofs Supplement energy demand through green electricity procurement 	Achieve 100% green energy usage at production bases in 2025
Energy Consumption Reduction	<ul style="list-style-type: none"> Implement an air compressor waste heat recovery system, utilizing three high-efficiency heat exchangers to realize oil-water heat exchange and waste heat reuse Phase out and upgrade high-power-consumption processes and equipment, and advance the upgrading of production equipment and process optimization 	
	<ul style="list-style-type: none"> Fully adopt energy-saving LED lighting, with intelligent lighting switches installed in office, production and living areas to support precise time control Implement rational management and control of air-conditioning equipment in production and public areas, advocating appropriate temperature settings and reduced operating hours Operate factory electrical equipment on an on-demand basis to eliminate no-load running; set office equipment to unified automatic sleep mode 	
	<ul style="list-style-type: none"> Strictly implement the official vehicle management system and prioritize the procurement of new energy pure electric vehicles 	

Green Supply Chain

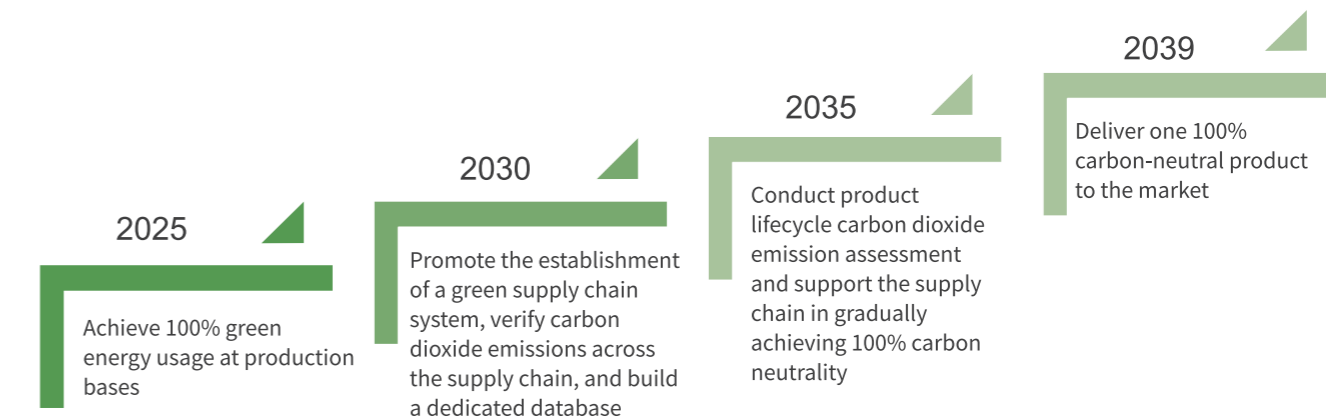
Focused on low-carbon development and emission reduction, the Company extends its low-carbon requirements from its own facilities to all segments of the supply chain. It encourages suppliers to conduct carbon dioxide emission verification and requires key suppliers of high-emission materials to formulate energy optimization and improvement plans, jointly reducing carbon emissions across the supply chain. The Company advocates the use of renewable energy including solar and wind power among suppliers, supports the establishment of internal energy management systems, and requires regular monitoring and reporting of greenhouse gas emissions.

Targets & Indicators

Sinofuse Electric commits to abiding by the Paris Agreement and China's "3060 Dual Carbon Goals," and actively advances its green and low-carbon transformation, with the target of achieving carbon neutrality by 2050.



Four Five-Year Goals of Carbon Emission



Carbon Emissions Management Targets

2025 Performance

Carbon Emissions

- 929.63 tons CO₂e for Scope 1 (Direct Emissions)
- 8607.40 tons CO₂e for Scope 2 (Indirect Emissions from Purchased Energy)
- 22178.03 tons CO₂e for Scope 3 (Indirect Emissions from Transportation)
- 75482.60 tons CO₂e for Scope 4 (Indirect Emissions from Product Use by Organizations)
- 12,166.297 MWh green electricity purchased
- 5,100 MWh green certificates purchased

Energy Consumption

- 1911.85 tons of standard coal for total energy consumption
- 90.56 tons of standard coal for direct energy consumption
- 78079.00 tons of standard coal for indirect energy consumption
- 14819.29 MWh of electricity consumption
- 78079.00 cubic meters of natural gas consumption



ISO14064 Greenhouse Gas Verification Statement

For production activities, the Company focuses on the control of four core categories of environmental aspects and adopts targeted measures to prevent potential environmental impacts. To address the risks of soil and water pollution that may arise from wastewater discharge, the Company strictly implements the Environmental Safety Operation Control Procedure, Chemical Pollution Control Procedure, and Pollutant Emission Control Procedure, and conducts wastewater monitoring in accordance with legal and regulatory requirements to ensure compliance with discharge standards. To mitigate air pollution hazards from waste gas emissions, it is equipped with dust collection facilities to capture particulate matter and completes dust monitoring in compliance with regulations, ensuring lawful and compliant emissions. For the prevention of soil and water pollution potentially caused by solid waste discharge, the Company applies the Waste Control Procedure, implements categorized management of general and hazardous waste, signs separate entrusted disposal contracts, and arranges for standardized disposal by qualified entities through the General Manager Office. Regarding noise pollution from operational noise emissions, it adopts sound insulation and noise reduction technologies to optimize the production environment in accordance with relevant control procedures, and issues annual specialized monitoring reports to ensure noise emissions meet regulatory standards.

Strategy

In accordance with national laws and regulations governing occupational health, work safety, and ecological environmental protection, the Company duly revises and adjusts its management systems and procedural documents, and conducts hazard identification, safety training, emergency drills, the development of dual prevention mechanisms, and monitoring and management of waste water, waste gas and solid waste.

Emergency Response

The Company has formulated an emergency response plan for environmental incidents and an annual emergency drill schedule to achieve a 100% emergency drill completion rate. Through environmental pollution emergency drills, the Company enhances the emergency awareness of all employees and the coordinated response capability of the professional team, to ensure the rapid and effective handling of unexpected environmental incidents. No major environmental risk incident occurred at the Company in 2025.



ISO14001 Environmental Management System Certification

ENVIRONMENTAL MANAGEMENT

Sinofuse Electric upholds the principle of “Pollution Prevention, Continuous Improvement, and Green Working Environment” and strictly complies with the Environmental Protection Law of the People’s Republic of China and other applicable laws and regulations. It has formulated the Environmental Safety Operation Control Procedure and other policies to continuously improve its environmental management system. The Company has obtained the ISO14001 Environmental Management System certification and conducted its environmental management activities in accordance with the requirements of the system.

Governance

The Company strictly implements its environmental, occupational health and safety policies, and promotes the implementation of environmental management through sound organizational safeguards. It has established a Safety Committee to oversee environmental, occupational health and safety (EHS) affairs, and appointed full-time EHS personnel responsible for the practical implementation of environmental protection and occupational health and safety management. A company-wide safety responsibility system has been put in place, with environmental management responsibilities delegated to all departments and positions at every level.

The Company has established a long-term mechanism for environmental management, and has formulated and improved a series of management systems and measures, including the Environmental Safety Operation Control Procedure, Pollutant Emission Control Procedure, Waste Control Procedure, and Resource and Energy Conservation Control Procedure, ensuring the effective control of safety and environmental risks across the Company.

Risk Management

The Company has established the Environmental Aspects Identification, Assessment and Control Procedure, under which it regularly identifies environmental aspects across the entire plant, determines significant environmental aspects, conducts regular hazard investigations, and implements precise management of environmental risks.

Case: Practical Drills Consolidate the Line of Defense for Environmental Safety

To enhance its emergency response capacity for sudden environmental incidents and prevent environmental pollution risks caused by hazardous waste leakage, Sinofuse Electric organized an emergency drill for hazardous waste spill incidents in September 2025. Guided by the principle of practical simulation and rapid response, the drill verified the practicability and operability of the emergency response plan.

The drill simulated a scenario where a waste cutting fluid container was overturned and spilled during loading and unloading in the hazardous waste storage area. Upon detecting the incident, on-site personnel immediately reported the situation. Company safety officers responded promptly, coordinating with property management to set up a cordoned-off area and evacuate unrelated personnel. After wearing proper personal protective equipment, emergency response personnel used absorbent cotton to treat the spilled liquid in a standardized manner. The contaminated materials were subsequently stored and disposed of in compliance with hazardous waste standards. The entire response was timely and procedurally standardized. The drill verified the applicability of the emergency plan, and the participants became proficient in the handling procedures for hazardous waste and chemical spills. In response to the inconvenience of accessing absorbent cotton exposed during the drill, the Company has defined an optimization plan to add on-site storage points. The successful implementation of the drill further strengthened the environmental safety awareness of all employees and provided solid support for achieving the annual environmental target of zero major pollution incidents.

Supervision and Improvement

The Company carries out regular environmental monitoring to ensure that all indicators meet regulatory standards, and integrates environmental management performance into its assessment system to strengthen process supervision and accountability, urging all departments to strictly implement environmental management requirements. Meanwhile, it continuously improves its environmental management system. Through safety training, monitoring of waste water, waste gas and solid waste, and the development of three-level safety standardization, the Company steadily optimizes its environmental management processes and achieves continuous improvement in environmental performance.

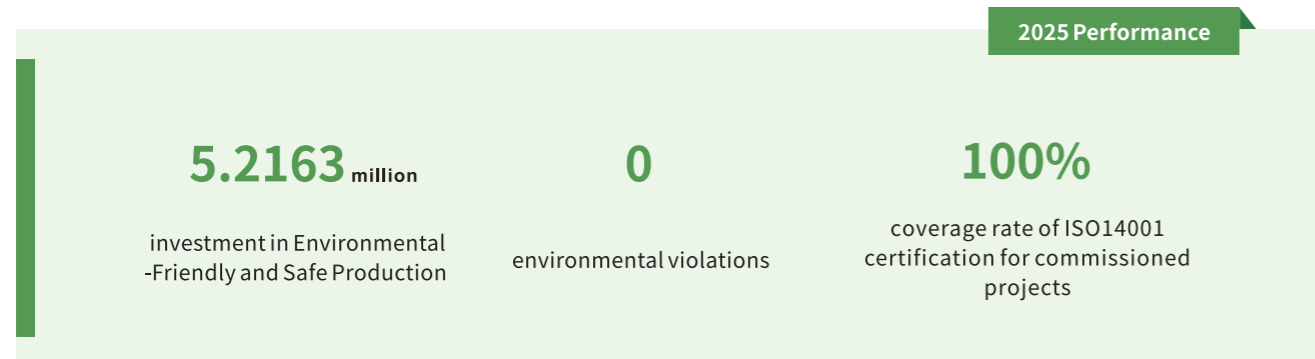


Waste Management Training in 2025



Targets & Indicators

The Company defines its environmental management standards and requirements in accordance with national laws and regulations on ecological environmental protection and workplace safety. In 2025, the Company set quantified environmental targets, focusing on 100% compliance rate for hazardous waste disposal, zero major pollution incidents and related administrative penalties, and reductions in water consumption, electricity consumption and carbon emission per unit product, providing clear guidance for environmental management.



RESOURCE UTILIZATION

Sinofuse Electric promotes the coordinated development of energy, water resources and circular economy. The Company adopts a series of measures to reduce the consumption of water, energy and other resources, and continuously improves the utilization efficiency of energy and water resources, to lower the impact on the environmental system.

Water Resources Utilization

The Company strictly abides by the Water Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and other applicable laws and regulations in regions where it operates domestically and overseas. It has formulated the Resource and Energy Conservation Control Procedure to fully standardize water use management. Water consumed by the Company is supplied by the municipal water network, and domestic wastewater generated is discharged into the municipal pipeline system.

Smart Management

Adopt an integrated human + digital management model to enhance the efficiency of water resources utilization

Facility Optimization

Adjust water flow at factory faucets, select and install water-saving appliances, and upgrade to sensor-activated faucets to reduce unnecessary water waste

Recycling and Reuse

Promote the secondary use of washing water in the company canteen kitchen to improve water recycling efficiency

Awareness Cultivation

Carry out water-saving publicity and training for all employees, and post water-saving posters and signs across the workplace to strengthen water conservation awareness



Water Conservation sign

Circular Economy

The Company continuously optimizes its energy consumption and material management, and has formulated policies such as the Resource and Energy Conservation Control Procedure at the corporate level. It has deployed automated production lines and adopted advanced production technologies and equipment to minimize pollutant generation. Raw materials, epoxy composite pipes, ceramic pipes and other materials are recycled to enhance resource utilization efficiency. In daily operations, the Company promotes paperless working to reduce paper consumption, and applies precise budgeting and planned management for maintenance materials to prevent waste.

2025 Performance

63455 tons
total water withdrawal

Case: Circular Reuse of Plastic Pallets

In response to green development initiatives for climate change, Sinofuse Electric integrates the circular economy concept into product design. The Company launched the circular reuse project for finished product plastic pallets in 2024 and officially put it into practice in 2025, establishing a closed-loop system of "use, recovery, screening, cleaning and reuse". After plastic pallets used for finished product transportation reach customers, the Company arranges logistics to return them to warehouses. Damaged pallets are removed through strict screening, and qualified ones are professionally cleaned before being reused in transportation.

This initiative not only reduces the consumption and disposal of disposable packaging materials, lowers resource waste and environmental impact, but also delivers significant low-carbon and economic benefits. The project is expected to save approximately RMB 600,000 in costs for the full year of 2025.

Through circular innovation in packaging, the Company practices the concept of green manufacturing with concrete actions, injecting impetus into addressing climate change and promoting the low-carbon transformation of the industrial chain.

POLLUTANT AND WASTE MANAGEMENT

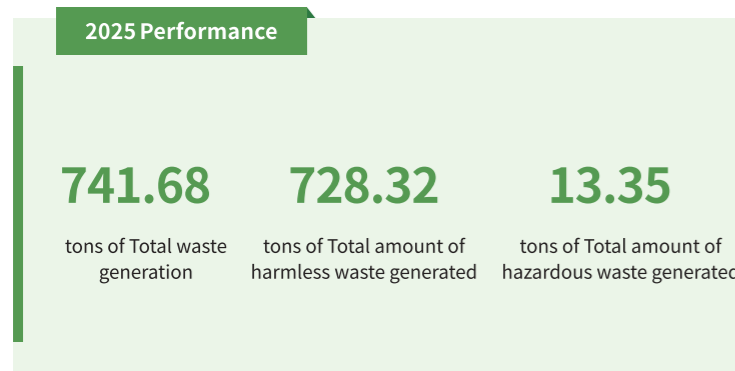
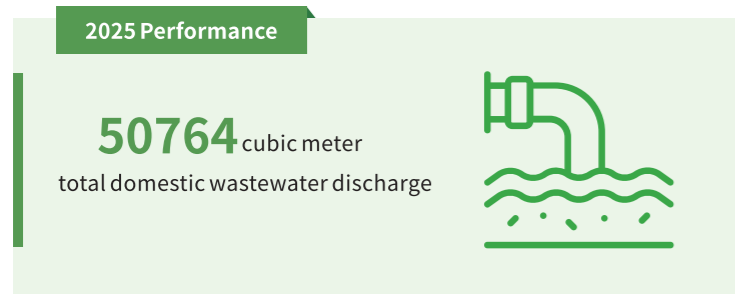
Sinofuse Electric strictly abides by the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, as well as relevant national and industrial standards. It has formulated a series of management systems including the Environmental Safety Operation Control Procedure, Chemical Pollution Control Procedure, Pollutant Emission Control Procedure, and Resource and Energy Conservation Control Procedure, which provide clear management guidelines for wastewater, waste gas, boundary noise and solid waste generated during production and operation. The Company conducts self-monitoring in accordance with requirements to ensure compliant discharge of all types of pollutants and proper disposal of waste.

Waste Gas

The Company's waste gas mainly originates from tin-coating fumes from the tin-coating process, welding fumes from the welding process, organic waste gas from printing and curing processes, injection molding waste gas, as well as cooking fume from the staff canteen. The pollutants include tin and its compounds, particulate matter, non-methane total hydrocarbons, cooking fumes, etc. In response to the characteristics of different pollution sources, the Company adopts a control model integrating classified collection, targeted treatment and high-altitude emission. Tin-coating waste gas and welding fumes generated during production are collected by gas hoods, treated by filtration and purification systems, and discharged through high exhaust stacks. Injection molding waste gas and organic waste gas are collected by gas hoods, treated by activated carbon adsorption devices, and discharged through high exhaust stacks. Canteen cooking fumes are purified by cooking fume purifiers before being discharged through high-altitude exhaust stacks. Meanwhile, the Company has established a normalized monitoring mechanism and entrusts qualified institutions to conduct routine monitoring annually in accordance with the self-monitoring plan, ensuring compliant waste gas emissions.

Waste water

The Company's industrial wastewater mainly consists of concentrated water from the purified water preparation system and condensed water from the steam curing process, both of which are clean process water. Key wastewater monitoring indicators include COD, BOD₅, SS, ammonia nitrogen, total nitrogen, total phosphorus, among others. In accordance with the Pollutant Emission Control Procedure, canteen wastewater is first treated by an oil-water separator, before being discharged together with industrial wastewater and domestic sewage into the park's septic tank for centralized treatment. The treated wastewater is finally connected to the municipal pipe network, with no direct discharge into natural water bodies. Staff inspect and record the operation status of environmental protection equipment before daily work to ensure stable and reliable operation of treatment facilities. In the event of malfunction or shutdown of pollution prevention facilities, emergency measures are activated immediately and urgent repairs are carried out to minimize pollutant generation.



Waste

The Company implements categorized management and control over waste, which is divided into recyclable general waste, non-recyclable general waste, hazardous waste and domestic waste, all of which are disposed of in accordance with standardized procedures.

Among general waste, recyclable materials are collected uniformly for recycling and reuse, while non-recyclable materials are managed as domestic waste and transferred to designated waste stations by dedicated personnel on a daily basis.

Hazardous waste (including waste cutting fluid, waste absorbent cotton, etc.) is handled in strict compliance with the Waste Control Procedure. Through signed disposal entrustment contracts, the General Manager Office arranges for unified and compliant disposal by qualified entities, which are required to pass the capability assessment for hazardous waste operation enterprises. In addition, storage areas for chemicals and waste meet the requirements of seepage prevention, sun protection and rainproofing. Leak-proof measures are adopted during transportation and storage to prevent soil and groundwater contamination and ensure environmental safety.

Chemical Management

The Company has established a comprehensive chemical management system covering procurement, storage, usage, waste disposal and emergency response. Grounded in the Chemical Pollution Control Procedure and Product Environmental Protection Control Procedure, it strictly complies with applicable laws and regulations as well as GHS classification and labeling requirements, to prevent chemical spills and environmental pollution risks.

Procurement and Access

Prior to the procurement of chemicals, the Procurement Department obtains from suppliers the Hazardous Chemicals Production License and Material Safety Data Sheet (MSDS), and verifies the Hazardous Chemicals Transport Permit during transportation. For chemicals used for the first time, the requesting department shall submit a purchase requisition, which may only be procured after review by the EHS specialist of the General Manager Office and approval by the management. New chemicals require corresponding MSDS preparation. Strong acids and strong alkalis must be filed and approved by the local work safety supervision bureau before procurement to ensure compliance in chemical access.

Storage and Labeling

Chemicals are kept in special warehouses and stored by category with clear labels. Flammable, oxidizing and corrosive chemicals are stored separately. The warehouse is kept cool, ventilated and dry. Anti-seepage treatment is applied to storage areas, equipped with spill containment trays, fire-fighting and emergency supplies. The Company implements a double-person, double-lock, double-sign-off management system, maintains chemical ledgers, conducts daily fire safety inspections, and checks inventory status and validity monthly. GHS labels are affixed to chemical containers to clearly indicate hazard information.

Usage and Protection

in strict accordance with operational procedures. After use, hazardous chemicals are stored in explosion-proof cabinets under the management of designated personnel with usage records. When handling chemicals generating irritating odors, operators are required to wear personal protective equipment including protective clothing, gloves and goggles. The Company has installed emergency eyewashes in key areas such as chemical warehouses and workshop chemical cabinets for prompt response in case of accidental exposure.

Waste Disposal

Waste organic solvents and contaminated materials generated during usage are collected centrally. Reusable materials are prioritized for recycling; non-reusable materials are managed as hazardous waste and collected in dedicated containers, and shall not be discharged into sewers under any circumstances. Chemical waste disposal strictly complies with the Waste Control Procedure and is uniformly handled by qualified entities to ensure no environmental pollution throughout the process.

Response and Training

The Company has formulated the On-site Disposal Plan for Chemical Spills. In 2025, the emergency drill for chemical spill incidents was conducted to enhance employees' emergency response capabilities. The drill clarified spill reporting, on-site security, absorption treatment and subsequent pollutant disposal, with timely improvements made to identified deficiencies. The Company also provides specialized training on chemical management, covering classification, GHS labeling, MSDS interpretation, storage and operation specifications, and emergency measures, to strengthen safety and environmental awareness across the organization.

Biodiversity

The Company consistently monitors the impact of its operations on biodiversity. It conducts opportunity identification and operational risk assessments in accordance with relevant laws, regulations and policies, including the Opinions of the General Office of the State Council on Further Strengthening Biodiversity Conservation, the Soil Pollution Prevention and Control Law of the People's Republic of China, and the Regulations on Groundwater Management of the State Council. It abides by ecological policies of the regions where it operates and international conventions such as the Convention on Biological Diversity, and integrates biodiversity conservation into its long-term sustainable development strategy. The Company is committed to expanding the positive influence of its green philosophy and green initiatives to promote harmonious coexistence with nature, while encouraging upstream and downstream partners to comply with biodiversity-related regulations and implement conservation practices.

During the reporting period, according to internal assessment, the Company's production and business activities did not involve any ecological protection red-line zones, and no significant adverse impacts were imposed on ecosystems and biodiversity.

INNOVATE WITH SMART MANUFACTURING FORGE EXCELLENCE IN QUALITY

Product responsibility and technological innovation serve as the core growth engines for Sinofuse Electric. Focusing on cutting-edge technologies for new energy fuses, the Company has established professional teams to break through key bottlenecks and launched high-efficiency products. From raw material procurement and production process control to finished product inspection before delivery, the Company has built a closed-loop quality management system covering the entire product lifecycle. Relying on testing platforms and traceable mechanisms, Sinofuse Electric solidifies the foundation of product reliability to meet customer demands and ensure safety.

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Our Actions

- Innovation-driven
- Intellectual Property Protection
- Data Security and Customer Privacy Protection

Aligning with SDGs



Topic: Upgrading Intelligent Manufacturing & Empowering Industrial Innovation

In 2025, seizing the development opportunities in the new energy industry, Sinofuse Electric consolidated its manufacturing foundation through the construction of intelligent and modernized factories, while accelerating its global industrial layout and business expansion. The Company achieved breakthroughs in both intelligent manufacturing capabilities and industrial ecosystem development, injecting strong impetus into its green and low-carbon development.

Full-Chain Intelligent Manufacturing System

Amid the explosive growth of the global new energy industry, the market for power electronic converters has expanded rapidly, driving strong demand for current sensors. In 2024, Sinofuse Electric seized industry opportunities and completed the acquisition of Ningbo Gauss-elec Technology Co., Ltd. (GAUSSELEC), marking its official strategic entry into the current sensor business. This acquisition has filled the Company's product gap in current measurement and upgraded its business positioning from a passive protection system provider to an integrated monitoring and protection solution provider, representing a key step forward in building its smart energy management ecosystem.

Strategic development requires strong manufacturing support. Leveraging the technological and product strengths of its subsidiary GAUSSELEC in the current sensor sector, the Company has proactively enhanced its production capacity and further accelerated intelligent manufacturing in 2025. In February 2025, the Company's first fully automated current sensor production line at its Xi'an manufacturing base was put into operation, followed by the mass production launch of the second automated line in May. With subsequent production lines under orderly planning, the Company achieved a substantial breakthrough in its annual current sensor production capacity. This milestone has not only greatly strengthened the Company's supply capacity in the sensor field, but also officially ushered in a new stage of large-scale manufacturing for current sensor products.



All along, the Company has centered on digitalization and automation to build an intelligent production base covering R&D, manufacturing, quality control and services, enabling the deep integration of craftsmanship and intelligent technologies.

Completion of the Current Sensor Production Line at Sinofuse Industrial Base

Digitalization

The Company has established a comprehensive digital factory system covering R&D, manufacturing, quality management and services. Through the deep integration and collaboration of systems including CRM (Customer Relationship Management), PLM (Product Lifecycle Management), ERP (Enterprise Resource Planning), MES (Manufacturing Execution System), QMS (Quality Management System) and SRM (Supplier Relationship Management), the Company has achieved full-process digital management from customer demand identification to product delivery.

Traceability

Relying on its full-process quality control system, the Company has established complete quality data archives covering raw material inspection, in-process control and finished product testing, enabling accurate traceability to the production batch, operator and raw material source of delivered products.

Collaboration

Through the supplier collaboration platform, the Company shares demand plans and exchanges order progress online with partners. With the JIT (Just-In-Time) lean material pull system, the Company ensures reliable delivery while significantly reducing supply chain inventory risks, realizing efficient collaboration between supply and demand sides.

The Company's independently developed automated production lines integrate four core systems and extensively apply digital twin technology to enable virtual simulation and pre-commissioning of production lines. This allows for early identification of production bottlenecks, process optimization, and continuous improvement in capacity stability and operational efficiency.

- ✎

Intelligent Assembly System

Integrate robotics, visual positioning and torque control technologies to ensure micron-level assembly accuracy
- ✎

Intelligent Inspection System

Equip with fully automatic functions including high-voltage testing, X-ray inspection and airtightness testing to achieve zero-defect control and fully guarantee product quality
- ✎

Intelligent Logistics Network

Combine AGVs with intelligent vertical warehouses to build a highly efficient logistics and distribution network, enhancing storage space utilization and logistics efficiency
- ✎

Flexible Switching System

Support 15-minute rapid changeover, enabling flexible adaptation to multi-variety, small-batch customized production requirements



Automatic Production Ensures Product Quality

While expanding production capacity, the Company has always maintained strict requirements for product quality and established a multi-layered quality assurance system for the new production lines. The entire production process of the its current sensors has achieved full-process automation, realizing unmanned operation from chip loading to testing. This minimizes human errors, ensures the consistency of the performance of products leaving the factory, and enables the new production lines to achieve a product qualification rate of 99.8%.



Strategic Layout in the New Energy Sector

In the period of development opportunities where the national “Dual Carbon” strategy and the “Manufacturing Powerhouse” strategy are deeply integrated, the new energy industry is undergoing comprehensive transformation and upgrading. In 2025, Sinofuse Electric seized the opportunities of the times, with the approval of the planning permission for the SYNOELEC New Energy Science and Technology Park project as an important milestone, accelerating the advancement of its strategic layout in the new energy sector and injecting impetus into the Company’s sustainable development.



Official Approval of SYNOELEC New Energy Science and Technology Park

The SYNOELEC New Energy Science and Technology Park project is located in Xi’an High-tech Zone, covering a net land area of 36,719.40 square meters and a total construction area of 77,166.17 square meters. As the core engine of Shaanxi Province’s economic development, Xi’an High-tech Zone has maintained rapid growth in pillar industries such as new energy vehicles and electronic information in recent years, forming a sound industrial ecosystem. The Company’s decision to deploy its core industrial project here is not only a precise response to the growth of market demand, but also a deep alignment with the high-tech zone’s industrial strategy of “strengthening and supplementing the industrial chain”. It will further enhance the regional new energy industrial cluster effect and promote the coordinated upgrading of the industrial ecosystem.



Expanding Production Capacity to Meet Market Demand

In the future, the Company will continue to deepen its presence in the new energy industry, focusing on control electrical appliances, protection electrical appliances, sensors, electronic products and system solutions. Centered on the grand vision of “becoming an outstanding energy protection system solution provider”, it will increase R&D investment and market development to realize its development strategy.

Focusing on the Core Business, Expanding Extensively

With its existing business as the core, the Company strengthens market development, expands from the domestic market to overseas markets, and broadens its market coverage.

Driven by market demand, the Company redefines its business boundaries, extends its business horizontally and vertically, develops new business segments, adjusts and optimizes its product portfolio, improves its overall business layout, and increases its product market share.

The Company’s overseas business has entered a phase of rapid expansion. SYNOELEC Technology (Thailand) Factory has been upgraded from a regional service base to a core production base supporting the global strategy. As the first overseas factory of Sinofuse Electric, the Thailand factory was officially put into operation in 2024, marking a major milestone in the Company’s global layout. It shortens the response cycle for international orders, improves delivery efficiency and service quality for global customers, and accelerates the internationalization of the Company’s brand.



SYNOELEC Technology (Thailand) Factory



SYNOELEC Technology (Thailand) Factory

The Thailand factory integrates production and warehousing, and is equipped with fully automated production lines and intelligent management systems. Through an industrial big data platform, the factory monitors energy consumption, equipment status and order progress in real time, and dynamically optimizes production strategies to help customers respond to market fluctuations. At present, the factory maintains a 100% delivery rate for several leading global new energy vehicle customers.

The factory has implemented information systems to continuously enhance operational capability and efficiency. It cooperates with a number of professional international logistics providers to carry out global delivery via air, sea, land and other transportation modes. Supported by the ERP system and IoT tracking technology, the factory has achieved full-process digital management from raw material warehousing to finished product delivery, boosting warehousing efficiency by 50%.

The Company plans to further expand production lines in 2026 to meet the growing local supply demand of global customers. Meanwhile, it will actively plan capacity layout in Europe to drive a continuous increase in the proportion of overseas revenue.

From Xi'an High-tech Zone in China to Rayong Industrial Zone in Thailand, the establishment of the Thailand factory is not only a milestone in the Company's "going global" initiative, but also a demonstration of China's manufacturing industry's leap from product export to the export of technical standards and supply chain systems. Amid the global wave of energy transition, this layout will continue to provide safer, more efficient and more stable services for partners.

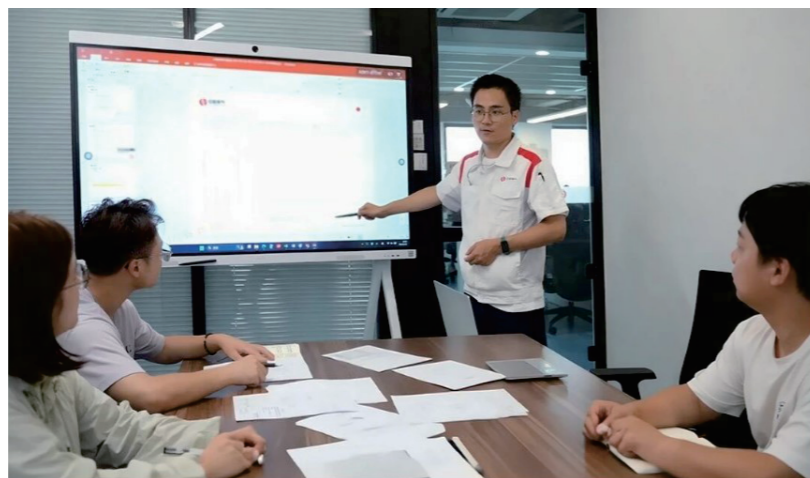
© TECHNOLOGICAL INNOVATION

Sinofuse Electric attaches great importance to enhancing its independent innovation capabilities and has accumulated profound technical expertise over years of development. Through independent R&D, and with a focus on improving product competitiveness, the Company has established a comprehensive technical system covering product design, material application, process manufacturing, and product testing & validation. The Company masters a number of core proprietary technologies, and leverages key related resources to produce high-quality fuse products that meet market demand.

Governance

Internally, the Company places strong emphasis on talent development. Its technical team is led by a number of senior professionals with more than 20 years of industry experience. R&D talents are cultivated through project practice, performance factor research, and cooperation with external institutions, forming a well-established technical team. The Company is equipped with an advanced CNAS-accredited laboratory and has established industry-university-research cooperation platforms with multiple universities and research institutions. It focuses on tackling key technical pain points in critical sectors including new energy vehicles, energy storage, photovoltaics, and data centers. The Company has formulated salary and performance appraisal systems as well as scientific and technological achievement reward mechanisms, motivating technicians' initiative through competitive compensation, performance incentives, bonuses, and commendations. In addition, it has implemented an equity incentive plan to further stimulate the enthusiasm of core technical personnel and enhance team stability.

Externally, the Company maintains in-depth cooperation with research institutions, consulting firms and industry associations, and continuously expands the scope of collaboration. The Company advances efforts across project research, business consulting, joint formulation of industry standards, and development of innovative products, integrates internal and external innovation resources, and addresses key technical bottlenecks.



R&D Team Discussing and Optimizing Fault Prediction Models ▶

Association Memberships	
Member Unit, National Technical Committee for Fuse Standardization	Executive Director Unit, New Energy Electrical Appliances Alliance
Vice Chairman Unit, Low-Voltage Fuse Subcommittee	Ordinary Member, General Low-Voltage Electrical Appliances Branch, China Electrical Equipment Industrial Association
Member Unit, Miniature Fuse Subcommittee	Director Unit, China Urban Mass Transit Association
Member Unit, High-Voltage Fuse Subcommittee, National Technical Committee for Fuse Standardization	Member Unit, High-Current Test Power Supply Group, Electrical Machinery Committee, Chinese Society for Electrical Engineering

Risk Management

Given the rapid technological iteration and diversified downstream market demand in the fuse industry, the Company has established a full-process innovation risk management mechanism. It accurately identifies technical and market risks in R&D, production, market application and other links, and achieves effective risk control through technology accumulation and capability building.

Risk Description	Mitigation Measures
Intensified industry competition	The Company maintains long-term cooperation with world-renowned enterprises, stays close to customer needs, strengthens R&D and innovation, enhances brand influence in the international market, and actively expands global customer base.
Changes in industrial policies	The Company timely adjusts its business strategies and expands its marketing network to mitigate the adverse impacts of policy changes. The Company continuously increases R&D investment in product and process design, improves new product development and iteration capabilities, strengthens its competitive advantages, and expands market share.
Decline in gross profit margin	The Company continuously accelerates the development and application of new products and technologies, and strengthens market development for products with relatively high gross profit margins. While enhancing customer relationship management and product promotion, the Company also reinforces cost control and actively promotes automation transformation to reduce costs and improve efficiency.

Strategy

The Company invests heavily in process improvement and equipment upgrading, and possesses strong capabilities in customized and flexible production. It currently offers more than 120 product series and over 9,000 product specifications, which can meet the differentiated demands of various downstream markets and customers. After years of development, the Company's product portfolio covers new energy vehicles, renewable energy (wind and solar power) generation and energy storage, communications, rail transit, industrial control and other sectors. Some of its product lines have secured a leading position in the market, with the capacity to further expand into new market segments.

Product R&D

The Company deeply cultivates its core proprietary technologies and develops high-quality fuse products in line with industry trends toward intelligence, lightweighting and miniaturization.

Product SFH-400-B Won the Title of “Shaanxi Industrial Fine Product” in 2025

In December 2025, with its outstanding comprehensive performance and wide market application, the SFH-400-B fuse independently developed by Sinofuse Electric was included in the list of 2025 “Shaanxi Industrial Fine Products” released by the Shaanxi Provincial Department of Industry and Information Technology.

附件

2025年“陕西工业精品”名单

68	陕西中熔电气股份有限公司	熔断体SFH-400-B
69	陕西能源节能环保科技集团有限公司	一体化污水处理设备JTD-MBBR型
70	西安德普测控设备有限公司	工业检测仪器KXYS
71	西安中熔电气股份有限公司	熔断体SFH-400-B

The SFH-400-B is a high-performance triggered fuse mainly applied in the new energy vehicle industry, providing reliable short-circuit protection and backup protection for on-board high-voltage batteries. Fully considering the harsh environment of vehicle operation in product design, the Company has endowed the product with excellent current impact resistance, mechanical vibration resistance and electrical performance. Its breaking capacity and current-carrying capacity both significantly exceed industry standards, and it has now become the most widely used triggered fuse with the largest number of equipped models in China.



Core Advantages of the Product

- High Breaking Capacity: Voltage coverage up to DC1000V, breaking capacity reaching 16kA, and response speed at the millisecond level
- Efficient Performance: Small internal resistance, low power consumption, and strong ability to withstand inrush current
- Intelligent Active Protection: Equipped with an active breaking function, it can actively cut off the main circuit at low current or even zero current under various dangerous conditions such as collision and wading, significantly improving the overall vehicle safety level.

Launch of the World's First 1500V gPV Category Pyrofuse

In June 2025, under the theme of “Breaking Technical Boundaries for Win-Win Ecological Cooperation”, Sinofuse Electric presented its new products for the PV and energy storage industry at the 18th SNEC International Solar Photovoltaic and Smart Energy Conference & Exhibition (2025) in Shanghai, showcasing the brand matrix of SINOFUSE, SYNOELEC, GAUSSELEC.

At this exhibition, the Company displayed new products and solutions developed for the PV and energy storage industry over the past year, and launched the world's first 1500V gPV category Pyrofuse, demonstrating its profound technological accumulation in the new energy sector.

Amid the global wave of energy transition, PV installed capacity has repeatedly hit record highs. However, DC-side fire incidents occur frequently in the PV industry, and DC-side safety protection has long been an industry challenge. Neither circuit breakers nor traditional fuses can fully address the protection requirements of the PV industry. In response to customer demands, the Company analyzed actual application scenarios and took into account the low short-circuit current characteristics of PV modules. Through the Pyrofuse technical route, the Company achieved safe protection over the full fault current range, along with dual protection functions of self-triggering and external triggering. While resolving full-range DC fault current protection, the solution can predict failures in advance by integrating with customer detection systems. With its external triggering function and low I²t characteristics, it enables proactive protection and solves the long-standing difficulty of IGBT protection.

- Faster response speed: Adopting an external triggering mechanism with an operating time ≤ 2ms, more than 5 times faster than traditional fuses
- Wider protection range: Overcoming the challenge of low-multiple overload protection to achieve true full-range protection, perfectly matching the characteristics of PV modules
- Lower I²t: Ultra-fast protection delivers a lower I²t value, ensuring safe protection for inverter IGBTs
- Dual-trigger protection mechanism: Passive smart technology enables self-triggering + external-triggering dual protection, delivering flexible and reliable system protection design

Intellectual Property Protection

Intellectual property is an important innovative asset of the Company and a key component supporting technological iteration and market competitiveness. The Company has formulated and implemented the Intellectual Property Management System, clarifying the processes for the acquisition, maintenance and protection of intellectual property such as patents and trade secrets, defining the collaborative responsibilities of various departments, and standardizing the links of technological achievement transformation and patent evaluation through standardized forms. By strengthening internal standardization construction and improving external risk prevention and control, it effectively protects the achievements of innovative R&D while avoiding infringing on the intellectual property rights of others. The Company has obtained the intellectual property compliance management system certification.



Intellectual Property Compliance Management System Certification in 2025

Intellectual Property Management Process

Patent Application

The Company adheres to a standardized and rigorous process for patent application, which follows the sequence of technical solution generation, technical disclosure, review, and formal application. When R&D personnel develop innovative technical solutions in the course of R&D and production, they first conduct a preliminary assessment to determine whether such solutions fall under the category of trade secrets. For solutions that are not classified as trade secrets and are eligible for public protection, a Technical Disclosure Document shall be compiled and submitted to the Intellectual Property Group of the R&D Headquarters. The Intellectual Property Group is responsible for assigning serial numbers to and conducting a comprehensive review of all submitted Technical Disclosure Documents. Prior to the submission of patent application documents, patentability searches and technical reviews are simultaneously completed; for key invention patents, they shall be submitted to the Company's technical person-in-charge for final approval.

Patent Search and Risk Control

Leveraging professional patent search databases, the Company conducts targeted patent searches at different stages of project advancement to ensure comprehensive risk prevention and control: at the concept stage, searches are conducted on competitors and relevant technical fields; at the technical solution generation stage, novelty searches are carried out; prior to mass production of products, infringement prevention searches are implemented; and during dispute resolution, invalidation searches are conducted. Upon the completion of each search, a detailed search report is formulated and submitted to the review team for in-depth risk assessment. For avoidable risks, the relevant user department shall develop and implement risk avoidance plans; for unavoidable risks, the Intellectual Property Group, in conjunction with the Legal Group, shall report to the Company's senior management to formulate scientific and effective response strategies.

Patent Maintenance and Dispute Resolution

The handling of intellectual property disputes is led by the Legal Group of the Internal Audit Department, with the Intellectual Property Group of the R&D Headquarters providing professional technical support. The team collaborates with external law firms to formulate comprehensive response strategies, which are implemented after formal confirmation by the review team. In addition, the administration of trademarks is led by the Strategic Marketing Department, which is fully responsible for the application, maintenance, and contract review of trademarks. The management of copyrights and trade secrets is undertaken by the Intellectual Property Group and the originating departments respectively, forming a systematic management system featuring classified control and clear accountability to individuals.

As of December 31, 2025, Sinofuse Electric and its subsidiaries collectively hold 340 valid patents. The design capability and level of fuse element structure are the core factors determining the technical performance of fuses, and also a concentrated reflection of the advanced technical level of professional fuse manufacturers. According to the search system of the China Patent Information Center under the State Intellectual Property Office, the Company holds 72 valid patents related to fuse element structure. The Company occupies a prominent position in terms of domestic fuse-related patents, with both the number of valid patents and the application trend remaining at the leading level in China, especially in core technology patents, where it has secured a leading position domestically.

In 2025, the Company achieved fruitful results in patent layout, with simultaneous improvements in both quantity and quality. During the year, 76 new authorized patents were added (including exclusive data of subsidiaries and sub-subsidiaries), among which 25 were invention patents, 50 were utility model patents, and 1 was a design patent. Among the invention patents, 5 obtained overseas authorization, covering markets such as Europe, South Korea, and the United States. The authorized European patents have taken effect in 23 European countries including the United Kingdom, France, Germany, Italy, and Spain, demonstrating that the Company's technological innovation achievements have gained international recognition. The Company's "Key Technologies of Fuse SFH-400-BA" won the Second Prize in the Growth Group of the 4th Qinchuangyuan High-Value Patent Competition in Shaanxi Province, and another achievement has completed the registration of scientific and technological achievements in Shaanxi Province.



Participating in the 4th Qinchuangyuan High-Value Patent Competition of Shaanxi Province and Winning the Second Prize in the Growth Group

The Company attaches great importance to the cultivation of intellectual property talents. In 2025, it organized a total of 4 special training sessions on intellectual property, including 3 sessions arranged by the Company itself or delivered by external institutions, and 1 session under the auspices of the Xi'an Administration for Market Regulation. The training covered core positions such as R&D and legal affairs, aiming to strengthen the intellectual property awareness and professional competence of all relevant employees. Meanwhile, the Company conducts full-process patent searches by relying on professional patent search databases to avoid infringement risks. Coupled with the patent incentive mechanism, it has effectively motivated the innovation initiative of R&D personnel, forming a sound cycle of "innovation, protection and commercialization".



Special Training on Intellectual Property in 2025

2025 Performance

427	technical staff	26%	technical staff in total workforce
76	valid patents obtained during the reporting period	40	invention patents applied to core business operations
21	invention patents applied for during the reporting period	25	invention patents authorized during the reporting period

QUALITY MANAGEMENT

Adhering to the quality policy of “Customer First, Quality-Oriented, Innovative Development, Continuous Improvement, and Brand Building”, Sinofuse Electric is deeply engaged in the electrical protection sector. The Company strictly complies with the Product Quality Law of the People’s Republic of China and other domestic and international policies and standards, has established a Quality Management Committee, and formulated and implemented the Quality System Management Manual. Quality control is integrated throughout the entire product lifecycle, including design, production, delivery and after-sales service. In 2025, the Company set clear quality objectives covering such indicators as customer satisfaction rate, on-time order fulfillment rate and product quality complaint rate.

Case: Awarded the Title of National Manufacturing Individual Champion Enterprise

On October 30, 2025, the Department of Industry and Information Technology of Shaanxi Province officially publicized the list of the 9th batch of Manufacturing Individual Champion Enterprises. With low-voltage fuses for new energy vehicles as its core products, Sinofuse Electric was successfully selected for the honor based on its sustained technological innovation, advanced technological capabilities and globally leading market share, gaining authoritative national recognition.

附件 1

第九批制造业单项冠军企业公示名单

序号	企业名称	产品名称
1	宝鸡石油机械有限责任公司	陆地石油钻机
2	国航宝钛钛业股份有限公司	钛板卷材
3	西安凯立新材料科技股份有限公司	精制化工用贵金属催化剂
4	西安西电平高电气有限公司	330kV 及以上 GIS
5	西安中熔电气股份有限公司	新能源车用低压熔断器

The National Manufacturing Individual Champion is an honor in China’s manufacturing industry evaluated and accredited by the Ministry of Industry and Information Technology. It is granted to enterprises that focus on niche product markets for a long time, possess internationally leading production technologies or processes, and rank among the top globally or domestically in terms of individual product market share. It represents the highest development level and strongest market competitiveness in the niche manufacturing sectors. Manufacturing Individual Champion Enterprises are benchmark enterprises that specialize in niche fields, boast internationally advanced technologies and hold top global market positions. This honor is not only a full recognition of the Company’s years of deep engagement in the field of new energy electrical safety, but also an authoritative endorsement of its innovation capability, product quality and brand influence.

Management Systems

The Company has established a stringent quality control system and obtained the following certifications: IATF16949 Automotive Industry Quality Management System, ISO22163 Rail Transit Industry Quality Management System, ISO9001 Quality Management System, ISO14001 Environmental Management System and ISO45001 Occupational Health and Safety Management System. Its products have passed the China Compulsory Certification (CCC) self-declaration, as well as certifications including UL (USA), TÜV (Germany), CB (international), and CE (EU). The products fully comply with the EU RoHS Directive and REACH Regulation. The Company is among the enterprises in China’s power fuse industry with the most comprehensive quality management systems and product safety certifications.



The Company integrates quality management procedures throughout the entire product lifecycle, adopting the PDCA cycle and a risk-based mindset, and has established mechanisms for internal audit, management review and continuous improvement. In the early stage, it clarifies customer demands through contract review and incorporates FMEA risk management and control in product development. In procurement, the Company rigorously selects suppliers and implements full-process performance monitoring. During production, management and control are strengthened through control plans, work instructions, and first-piece and last-piece verification. The Testing and Inspection Center provides full-scenario reliability verification to ensure products comply with relevant standards. Through internal audits and management reviews, the Company continuously optimizes its management systems and takes corrective and preventive actions against nonconforming products.

Process Control

- Design and Development:** Clarify customer demands through contract review and integrate FMEA risk management and control.
- Procurement:** Rigorously select suppliers and implement full-process performance monitoring.
- Production:** Strengthen control based on control plans, work instructions, and first-piece and last-piece verification.

Technical Support

- The Testing and Inspection Center provides full-scenario reliability verification to ensure product compliance with standards.

Continuous Improvement

- Continuously optimize the system through internal audits and management reviews, and take corrective and preventive measures for nonconforming products.

Case: Successive National and Provincial Quality Awards

In 2025, Sinofuse Electric achieved remarkable progress in quality management, successively winning two prestigious honors: the 2025 China Quality Association Quality Technology Award and the 2025 Shaanxi Provincial Quality Benchmark. These achievements fully demonstrate the Company's outstanding strengths in quality technology innovation and management system development.

National-Level Quality Technology Award: Localization Breakthrough Safeguards Nuclear Power Safety

The project "Application and Implementation of Full-Life Reliability Risk Prevention and Control Technology for High-Voltage Current-Limiting Fuses in Nuclear Power Plants", jointly declared by Sinofuse Electric and Ningde Nuclear Power, won the Third Prize of the 2025 China Quality Technology Award.

The award-winning project innovatively integrates advanced methodologies including Fault Tree Analysis (FTA) and Quality Function Deployment (QFD), and systematically applies DFMEA and DFMA technologies, which significantly improved the reliability, manufacturability and testability of fuses. Meanwhile, combining risk management with operational and environmental characteristics, the project established a full-life reliability and maintenance technology system, building a solid protection barrier for the safe operation of nuclear power plants. At present, the high-voltage current-limiting fuses developed under this project have passed all qualification tests and industrial technical reviews, and have been fully applied at Ningde Nuclear Power Plant. They are also applicable to the medium-voltage power supply systems of Daya Bay Nuclear Power Plant, Hongyanhe Nuclear Power Plant and other plants under similar operating conditions. This innovative achievement has opened up a new market segment for China's high-voltage fuse industry and realized a major localization breakthrough for key protective components in nuclear power plants.

Provincial-Level Quality Benchmark: BIQS System Consolidates Full-Process Quality Foundation

Sinofuse Electric's project "Practice of Achieving Excellent Quality Objectives through the BIQS Management Approach" was successfully selected as a 2025 Shaanxi Provincial Quality Benchmark.

BIQS (BIQ Quality System) is one of the world's leading quality management systems for the automotive industry. It is a systematic and structured quality management methodology centered on "building-in quality". Through 30 modular requirements, it shifts quality control from post-production inspection to prevention and process control, ensuring that every production step delivers qualified products. The Company has deeply integrated the BIQS system into its production practices and cultivated a quality culture of "not creating, not passing, and not accepting defects". Through the quality benchmark project, the Company focused on the core manufacturing processes of fuse products and achieved remarkable improvements in nonconforming product management, layered audits, PFMEA, and digital quality management, laying a solid quality foundation for its sustainable development.

Inspection Platform

In response to the new requirements for electrical safety in the new energy industry, the Company has established a nationally accredited testing and inspection center, which serves as the core technical support for quality management and control. The center covers an area of more than 3,000 square meters and is equipped with over 300 sets of advanced testing equipment. It integrates three core modules: High-Voltage and High-Current Breaking Test, Automotive-Grade Environmental Simulation, and Full-Scenario Reliability Verification System, forming a comprehensive automotive-grade safety verification platform. It enables full-chain verification ranging from raw material inspection and in-process quality monitoring to full-performance testing of finished products.

Fuses

Testing items include temperature rise and power consumption, insulation performance, fusing time, DC breaking capacity, mechanical vibration, mechanical shock, fusing capacity, etc.

Low-Voltage Switching and Control Equipment

Testing items include making and breaking capacity, operating performance, coordination tests between short-circuit protection devices and rated conditional short-circuit current, etc.

Contactors

Testing items include endurance tests (electrical endurance / mechanical endurance), coil-related tests (voltage drop, pull-in and release voltage), environment-related tests (low-temperature starting, vibration), forward and reverse ultimate breaking capacity, etc.

Automotive Electronic Components

Testing items include low temperature, high temperature, alternating humidity, constant humidity, cleanliness test, salt spray test, dust and water resistance test, etc.



IPQC Inspectors Examining Samples of the EV Series Fuses



Inspection Engineer Reviewing Test Data

Sinofuse Electric's Testing Center is equipped with a 2000V 50kA breaking test system and an industry-first ultra-low inductance short-circuit simulation platform for automotive-grade applications, which can replicate complex short-circuit faults under extreme environments. It supports high and low temperature cycle testing ranging from an extreme low of -70°C up to 300°C, fully validating the product's limit endurance. Equipped with internationally advanced data acquisition systems, the center can capture circuit changes at the microsecond level, further strengthening the safety protection mechanism. Since 2024, the Testing Center has been accredited by CNAS (China National Accreditation Service for Conformity Assessment). Its test reports are widely recognized by more than 70 authoritative organizations worldwide, including EU CE and U.S. FDA.



Testing and Inspection Center

Traceability and Product Recall

The Company has formulated the Control Procedure for Identification and Traceability. Relying on a sound management mechanism for identification and traceability, with a unique batch number as the core traceability identifier, the Company achieves full-cycle forward and reverse traceability from raw material procurement, production and processing to final delivery. The traceability system covers key information including material batch numbers, production records, inspection data and distribution channels, enabling rapid and accurate positioning of nonconforming products.

Pursuant to the Control Procedure for Nonconforming Products, the Company has established strict management procedures for nonconforming products. A full-cycle process of “identification, isolation, review and disposition” is applied to nonconforming products ranging from purchased parts, in-process products to finished goods and customer returns. Physical isolation is implemented through red nonconforming tags and dedicated MRB storage areas. A cross-functional review team determines disposition plans such as rework, concession or scrap, and follows up on the effectiveness of corrective and preventive actions. In the event a product recall is deemed necessary, the Sales Department takes the lead in communicating with customers to clarify the scope and quantity of the recall, ensuring full retrieval of the affected batches. The Quality Department organizes the disassembly, analysis and risk assessment of recalled products, which are disposed of in accordance with the nonconforming product procedure with complete records retained. Meanwhile, the Company has established a mechanism for lesson learning and horizontal deployment. Recall cases are incorporated into internal training to promote quality improvement for similar products, processes and production facilities, preventing recurrence of the same issues at the source and fully safeguarding product quality reliability and customer trust.

2025 Performance

0 incidents of voluntary or involuntary product recalls due to quality issues

0% of products recalled

Quality Culture

Based on the five-dimensional quality culture framework of Quality Values, Quality Awareness, Quality Systems, Quality Communication, and Quality Behavior, the Company has established a company-wide quality training system, a rationalization proposal mechanism, and a quality performance appraisal system. Through a series of initiatives, the Company enhances the quality awareness of all employees and motivates their enthusiasm for participation in quality improvement, realizing the transformation from institutional restriction to cultural self-consciousness. The Company regularly holds Quality Month activities, including quality training, quality improvement case competitions, knowledge contests and other related events.

Case: “Quality Wins at Sinofuse, All Staff Work Together” 2025 Quality Month Campaign

On September 1, 2025, the 2025 Quality Month Campaign of Sinofuse Electric was officially launched. A series of distinctive activities were held during the campaign, fostering a strong corporate atmosphere where “everyone values quality and everyone pursues quality”.

Establishing Quality Rewards, Penalties and Incentive Mechanisms

The Company revised its quality reward and penalty system, and publicized positive incentive cases and warning cases through dedicated columns, forming a cultural environment featuring “positive guidance plus restrictive constraints”. Meanwhile, it established a part-time quality talent pool and a professional qualification system, integrating quality awareness and system management capabilities into the assessment criteria for employee confirmation and promotion, continuously injecting endogenous impetus into quality management.

Building an Online-Offline Integrated Quality Culture Communication Platform

The Company launched the “Quality Academy Board” on the OA system, covering core modules including knowledge sharing, continuous quality improvement, quality rewards and penalties, and training announcements. It regularly updates interpretations of standards and regulations, analysis of quality tools, and improvement cases, serving as a core channel for company-wide quality learning and communication.

The Company also carried out full-coverage system promotion and training. In 2025, a total of 1,271 participants were

trained with a 100% completion rate. Through the “mentor-follower” development mechanism, quality knowledge was integrated into the onboarding training for new employees, which significantly boosted the implementation rate of systems and procedures and reduced the non-compliance defect rate by 55.17%.



Developing a Diversified System of Themed Activities

Taking the annual Quality Month as a key platform, the Company held a variety of quality-themed activities, including “Quality Golden Ideas” proposals, quality knowledge contests, quality improvement evaluations, and the selection of “Quality Model Employees”.

During the campaign, 353 quality improvement proposals were collected, and numerous golden ideas and excellent improvement projects were selected. Among them, projects such as “Improvement of Insufficient Sand Volume” generated an accumulated economic value of over one million yuan. A total of 17 “Quality Model Employees” stood out, setting role models that emphasize professional competence, responsibility and improvement contributions.

In addition, the Company carried out special activities such as welding system assessment and capability building, continuously enhancing quality control over special processes.



© CUSTOMER SERVICE

Leveraging its strengths in technological innovation, product design, quality control and supply chain management, Sinofuse Electric has established stable cooperative relationships with numerous domestic and international manufacturers across new energy vehicles, renewable energy (wind and solar power) and energy storage, communications, rail transit and other sectors. The Company has emerged as one of the leading enterprises in China’s power fuse industry, with a high-quality customer base. After years of development, Sinofuse Electric enjoys strong brand recognition in the fuse industry. Its products have been widely recognized by the market and customers in multiple segments, and the Company

has received various partnership and performance awards from renowned enterprises.

Customer Service System

The Company has established a customer service system characterized by “Rapid Response, Precise Resolution and Continuous Optimization”, which covers pre-sales consultation, in-sales support and after-sales support, fully protecting customers’ rights and interests and enhance their service experience.

Service Response Mechanism

Customers may access services including technical consultation, product application guidance and complaint feedback through hotlines, emails, online support systems, and direct liaison with sales engineers. Sales engineers and market application engineers serve as the front-line responders to ensure that customer requests receive initial replies within the specified time limit. In addition, the Company has set clear service time commitments for on-site support requirements.

After-Sales Service Process

The Company has established a four-level customer complaint classification mechanism (A/B/C/D). Complaints are graded according to the scope of impact, economic loss, brand risk and other factors, and handled through differentiated procedures. Customer complaints are initiated via the Customer Relationship Management (CRM) system. Customer service specialists verify the completeness of information and assign cases to customer quality engineers, market application engineers or cross-functional review teams by category: product issues, application issues and complex issues. The Company systematically addresses product quality complaints through the 8D report methodology, with clear time requirements: Temporary containment measures within 24 hours; Root cause analysis completed within 5 working days; Issue closure achieved within 30 days. A customer complaint warning light system is also established to ensure rapid communication and collaborative resolution of issues.

Satisfaction Tracking

The Company has implemented a customer satisfaction survey mechanism combining regular and ad-hoc evaluations. Based on the Customer Satisfaction Survey Form, feedback is collected in dimensions including product quality, order delivery, commercial cooperation and service response. Customer satisfaction scores are incorporated into the core indicators of service quality assessment. Customer service specialists coordinate information collation and analysis, organize relevant departments to formulate improvement measures for underperforming items, and continuously monitor improvement outcomes through quality task tracking sheets, forming a closed-loop management system of “survey, analysis, improvement and verification”.

2025 Performance

complaint resolution rate **100%**

Case: Dedicated Testing Services Empowering Customer Value

Understanding Applications and Focusing on Pain Points

In response to the diverse needs of new energy, rail transit, photovoltaic energy storage, electric vehicles and other sectors, the Company provides scenario-based testing services, such as dynamic impact testing for high-voltage fuses in electric vehicles and small-multiple overload simulation on the DC side of photovoltaic systems, accurately addressing industry-specific pain points.

Efficient Response and Data Confidentiality

Relying on intelligent testing systems and standardized operating procedures, the Company achieves real-time data collection and reduces errors caused by manual intervention. Through dedicated access ports, customers can remotely track testing progress in real time and obtain detailed data and reports. Hierarchical data management and real-time data dumping ensure zero risk of data leakage.

Thoughtful Service and Customer Trust

The Testing and Inspection Center of Sinofuse Electric has provided professional electrical testing and inspection technical services to key customers in new energy vehicles, energy storage, photovoltaic and other industries, with on-site support from expert teams to resolve technical issues in a timely manner.

Responsible Marketing

The Company upholds a scientific and rigorous attitude toward responsible marketing, and strictly complies with the Advertisement Law of the People’s Republic of China and other applicable laws and regulations in the regions where it operates. It provides accurate and comprehensive information in market development, customer sales, product labeling and other related processes. The Company produces promotional videos and brochures, which are released to the public only after official review and approval. All sales activities are conducted based on the aforementioned approved materials.

2025 Performance

0

violations in marketing communications

Case: Shining at SNEC·ES+

In October 2025, under the theme of “Intelligent Manufacturing in China, Safety Guarding”, Sinofuse Electric showcased a number of innovative products and full-scenario solutions at the 11th International Energy Storage and Battery Technology & Equipment Exhibition (SNEC ES+), fully demonstrating the Company’s core technological strengths in the green energy sector. The Company prominently displayed core component packages tailored for photovoltaic and energy storage systems under its two major brands, which attracted extensive attention from the industry.



At the exhibition, the Company's professional technicians delivered on-site demonstrations and in-depth explanations, systematically presenting to visiting industry partners and customers the Company's circuit protection solutions covering full scenarios of wind, solar, energy storage and charging infrastructure, ranging from technical principles to application scenarios. From photovoltaic power generation and wind power to energy storage power stations and charging pile networks, the Company's products and technologies achieve full-link protection for core application scenarios of green energy. With high-precision and high-reliability products, the Company builds a stable and safe operational foundation for green energy systems, and integrates the philosophy of "Safety Guarding" into every link of energy production, storage and utilization.

Data Security and Customer Privacy Protection

The Company strictly implements data security and privacy protection requirements throughout the entire customer service process. It applies classified management to sensitive data such as customer information, transaction records and technical parameters, and has established a sound mechanism for information storage and access control.

Governance

The Company strictly complies with the Cybersecurity Law of the People's Republic of China, the Electronic Signature Law of the People's Republic of China, the Regulations on the Safety Protection of Computer Information Systems of the People's Republic of China and other relevant laws and regulations. Internally, it has formulated management and institutional norms including the Information Security Policy, Information Security Management System, Malware Protection Management Procedures and Access Control Procedures. The Company has defined a security governance structure led by departments and project managers to carry out information security management activities and implement the information security responsibility system at all levels. In 2025, Sinofuse Electric obtained the ISO27001 Information Security Management System certification, aligning with international standards to safeguard the privacy and security of customers and stakeholders, and consolidating the foundation of data protection.



ISO27001 Information Security Management System Certification

Risk Management

In terms of technical protection, the Company continuously upgrades its information security hardware and software capabilities. It has procured security products such as document encryption, anti-virus software, and zero-trust systems, and deployed a network access control platform to achieve terminal security management, encrypted data storage, and hierarchical control of access permissions. For sensitive customer information, the Company adopts technical measures including transparent encryption, watermark tracing, and removable storage authorization, with complete operation logs retained throughout the process to ensure traceability of data flows. The Company has also established a data security emergency response mechanism. In response to potential risks such as information leakage and loss, it has formulated emergency plans and conducts regular emergency drills to verify the rapid recovery capability of business and production systems, improve the efficiency of emergency response to information security incidents, and minimize the impact of risks.

Case: Emergency Drill for Virus Infection Scenario

In June 2025, Sinofuse Electric organized an emergency drill simulating a virus infection scenario, covering both business and production systems. Participants included the Information Technology Department, production execution departments, and engineer representatives from partners. The drill simulated a system outage caused by large-scale virus infection. The disaster recovery platform took over the business and production systems, and operations including data recovery, virus removal, and system fallback were completed in accordance with procedures. Meanwhile, the integrity of disaster recovery data and business availability were verified. The drill took 3 hours from fault occurrence to full system recovery, which effectively enhanced the Company's emergency response capabilities and safeguarded its data security.

Strategy

- Information Collection**

To strengthen information security management, the Company strictly adheres to the "minimum necessary" principle. It only collects essential data related to product inquiries, complaint handling, after-sales services and other relevant matters, and refrains from collecting additional irrelevant information. In terms of customer privacy protection, the collection of customer information is based on customers' explicit consent. The Company clearly informs customers of the scope and purpose of information use, so as to safeguard their right to know.
- Storage and Access**

The Company has established a hierarchical management and control system, which encrypts and stores sensitive data such as customers' business information, technical parameters and transaction records, and implements a strict access authority management mechanism. Only authorized personnel may access relevant information in accordance with their duties, with complete access logs retained to ensure traceable operations. The Customer Relationship Management (CRM) system and service records are retained for the specified period in compliance with regulations, and regular security audits and risk assessments are conducted to prevent data leakage risks.
- Use and Transfer**

The Company strictly abides by data confidentiality agreements and uses customer information solely for agreed purposes, including after-sales service, issue resolution and satisfaction surveys. Internal cross-departmental data transmission is conducted via encrypted channels, with clear boundaries and responsibilities defined for data transfer. For external cooperation (e.g., third-party testing, logistics services), confidentiality agreements are signed to restrict the scope and authority of data use, and unauthorized disclosure and secondary use are strictly prohibited.
- Staff Training**

Through regular training programs including information security training and zero-trust system application training, the Company continuously improves the security awareness and operational capabilities of all employees.

Targets & Indicators

2025 Performance

- 0 incidents of data security and customer privacy violations
- 4 data security emergency drills conducted

EMBRACE DIVERSITY AND INCLUSION EMPOWER GROWTH WITH TALENTS

Employees are the cornerstone of corporate development, and their creativity serves as an inexhaustible driving force for the Company's growth. Sinofuse Electric always adheres to the people-oriented philosophy, complies with labor laws and regulations, and continuously improves its employment mechanism and talent development system. The Company provides dual career development paths for management and professional talents, and strives to build a healthy and safe working environment for all employees, so as to gather a solid force for the sustainable development of the enterprise.

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Our Actions

- Employee

Aligning with SDGs



◎ EMPLOYMENT IN COMPLIANCE

Sinofuse Electric strictly abides by labor laws and regulations, continuously improves its employee management mechanism, optimizes talent resource allocation, and establishes a diversified welfare system, placing the protection of employees' rights and interests at the forefront of corporate development.

Governance

The Company has established a three-tiered governance structure for employee development featuring clear roles, defined responsibilities and efficient collaboration. The Board of Directors and the General Manager define the overall talent strategy, as well as corporate recruitment objectives and budget. The Human Resources Department formulates detailed recruitment plans, develops and maintains recruitment channels, provides professional training for recruiters, reports recruitment data on a regular basis, establishes a fair and competitive compensation and benefits system, improves performance management, and manages employee relations. Each business department is responsible for proposing staffing requirements, clarifying job qualifications, participating in resume screening and interview evaluation, and providing on-the-job skills training and guidance for new employees, to ensure that employee development is fully aligned with the Company's strategy.

Risk Management

Through questionnaire surveys, employee interviews, quantitative performance analysis, qualification assessment and other diversified methods, the Company accurately identifies and evaluates employees' training and development needs, welfare and work-life balance, as well as overall satisfaction. Meanwhile, it regularly reviews internal communication efficiency and employment compliance to effectively protect the legitimate rights and interests of employees.

Strategy

Employees serve as a key driving force behind the Company's rapid growth and sustainable success. Grounded in a sound institutional framework, the Company maintains continuous efforts in compliant employment, compensation and benefits, democratic communication and employee care. It respects the value of all employees and fosters a fair, open and inclusive working environment.

Compliant Employment

The Company strictly abides by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and other relevant labor laws and regulations. It has formulated the Recruitment Management System, signs labor contracts with employees in accordance with the law, clarifies core terms including job responsibilities, compensation and benefits, and working hours, and establishes standardized and legitimate labor relations. In terms of social security, the Company makes full contributions to endowment, medical, unemployment, work-related injury and maternity insurance to safeguard employees' statutory rights and interests.

Adhering to the values of respect and inclusiveness, the Company has formulated and implemented the Social Responsibility Management System to eliminate illegal and non-compliant practices such as discrimination, harassment, forced labor and child labor. It provides equal employment opportunities for employees of diverse backgrounds throughout recruitment, training, promotion and other processes. A special protection mechanism has been established for female employees, with dedicated reporting channels and strict penalties for verified discriminatory conducts. The Company regularly organizes social responsibility trainings covering anti-forced labor and anti-discrimination to enhance employees' awareness and sensitivity to inappropriate behaviors. In 2025, the Company revised the Social Responsibility Management System, updated appeal and complaint channels, and further improved the identification and update process of the List of Labor and Ethical Laws and Regulations.

Employee Rights and Interests Protection Mechanism

Anti-Discrimination, Anti-Harassment and Anti-Abuse

The Company maintains a strict zero-tolerance policy against discrimination of any kind, including but not limited to discrimination based on race, ethnicity, social origin, gender, religion, disability, age, sexual orientation, marital status, or political opinion. The Company is committed to providing equal opportunities for all employees in recruitment, compensation, benefits, training, promotion, and termination. No discriminatory criteria unrelated to job competency are applied during recruitment. The Company recruits talents fairly through internal referrals, internal competition, and external recruitment channels.

No incidents of harassment, discrimination, or abuse occurred during the reporting period.

Prevention of Child Labor and Forced Labor

During recruitment, the Company implements multiple identity verification procedures, including ID document checks, to eliminate the hiring of child labor at the source, and maintains complete and standardized personnel files for all employees. The Company prohibits any restriction on employees' freedom of movement, and forbids all forms of forced labor such as security deposits, document withholding, or coercive work arrangements. Furthermore, the Company integrates labor rights requirements into contractual terms with suppliers and partners, and conducts regular audits and assessments to ensure compliance across the supply chain.

No incidents of child labor or forced labor occurred during the reporting period.

Freedom of Association and Collective Bargaining

The Company respects the rights of employees to freedom of association and collective bargaining, and safeguards employees' rights to voice demands and protect their legitimate interests through legal channels. The Company supports employees in establishing or joining lawful trade union organizations in accordance with the law and does not interfere in legitimate association activities. A labor union has been duly established within the Company. For reasonable demands raised by employees through the labor union or collective forms regarding compensation, benefits, working conditions, and labor protection, the Company appoints dedicated representatives for communication and consultation. The Company fully considers employees' opinions and develops solutions based on operational realities, ensuring that employees' demands receive substantive responses.

Compensation and Benefits

Guided by the Compensation Management System, the Company has established a comprehensive and competitive compensation and incentive system in line with four core principles: strategic alignment, competitiveness, motivation and cost-effectiveness. The system integrates short-term and medium-to-long-term incentives, as well as monetary and non-monetary recognition. The Company continuously optimizes its compensation structure based on internal and external market conditions to ensure employee remuneration remains competitive. For employees with outstanding contributions, the Company has established a special award mechanism, with a focus on recognizing contributors in market development, technological innovation, cost reduction, efficiency improvement, quality enhancement, and the delivery of key corporate initiatives. Meanwhile, the Company implements medium-to-long-term incentives such as equity incentives, and establishes a long-term benefit-sharing mechanism through employee stock ownership plans, further strengthening the sense of belonging of core talents.

In addition, the Company has built and continuously improved an employee welfare system matching its corporate development. In terms of statutory benefits, the Company strictly abides by national laws and regulations, making full contributions to social insurance and housing fund for employees to safeguard their basic rights and interests. Statutory leave including annual leave, sick leave, maternity leave, paternity leave, breastfeeding leave and bereavement leave is fully implemented. Subsidies include seniority allowance, housing allowance, heating/cooling allowance, meal allowance and communication allowance. During festivals, care is delivered through gifts for the Dragon Boat Festival, MidAutumn Festival, International Women's Day, Children's Day and other occasions. The Company also provides well-equipped staff dormitories and a staff canteen to ensure quality of life, arranges regular physical examinations, and supports team building and annual travel to enrich employees' sparetime life.

Employee Communication

The Company has established a formal employee communication and grievance mechanism, including suggestion boxes, dedicated grievance email addresses and hotlines, encouraging employees to raise internal concerns related to labor rights and interests, including child labor, forced labor, working conditions, harassment and discrimination. Employees may submit issues and demands to management, the labor union, the Human Resources Department and other departments through anonymous submission, email, direct communication and other channels. Separate dedicated email and hotline are available for reporting on business ethics and labor and human rights issues to ensure timely response.

For grievance handling, the Company assigns personnel free of conflict of interest to conduct investigations and verifications, strictly follows the principle of confidentiality to protect employee privacy, and has adopted an antiretaliation policy that prohibits any form of retaliation against complaining employees. Any verified noncompliant conduct will result in stringent disciplinary measures including warning, demotion and dismissal. Through the closedloop mechanism of “request submission, investigation and verification, correction and rectification, and followup feedback”, the Company ensures proper resolution of employee concerns and effectively maintains harmonious and stable labor relations.

Employee Care

From health support to spiritual enrichment, from financial assistance to festive greetings, the Company enhances employees' sense of belonging and happiness with concrete actions, creating a caring workplace. The Company has formulated the Regulations on Relief for Employees with Serious Diseases and Financial Difficulties, providing labor union relief funds to employees suffering from serious illnesses, and launching internal donation initiatives to support employees in need through collective efforts.

Case: Gathering Love, Bringing Warmth to Employees in Need

In 2025, an employee of Sinofuse Electric suffered from a sudden serious illness. As the primary breadwinner of his family, he had to suspend work to focus on treatment, and the high medical expenses placed his family in financial difficulty. Upon learning of the situation, the Labor Union Committee of the Company acted promptly and activated the assistance mechanism for employees in need at the first time. On the one hand, the union provided a special relief fund of RMB 5,000 to ease the employee's urgent financial burden. On the other hand, it launched an internal donation initiative among all employees. The initiative received an enthusiastic response from 147 colleagues, raising a total of RMB 52,505.65 (including the special union fund). This fund, embodying collective care and warmth, was promptly delivered to the employee and his family, providing substantial support to ease their medical costs and strengthen their confidence in treatment.

Care for Female Employees

The Company has established a Female Employees Committee dedicated to safeguarding the legitimate rights and interests of female employees.

In terms of hardware facilities, the Company has set up a Care Room for Female Employees equipped with a complete set of amenities including sofas, beds, microwave ovens, refrigerators, disinfection cabinets and disinfection supplies. It provides a comfortable and convenient space for rest and breastfeeding for pregnant and lactating female employees, properly addressing their practical needs during special career stages.

In terms of benefits and activities, the Company provides a maternity allowance of RMB 1,000 to offer financial support for female employees upon childbirth. A Yoga Club has been established with professional coaches to help female employees relieve stress and strengthen physical fitness. Special events and welfare gifts are arranged on International Women's Day to deliver festive care. Psychological care activities are held regularly to focus on the physical and mental health of female employees and help alleviate work and life pressures.



Maternal and Infant Room - Care Room for Female Employees

Care for Female Employees

The Company has established an on-site gym equipped with professional facilities including treadmills, elliptical trainers, spin bikes, dumbbell racks, table tennis tables and a dedicated yoga studio. This provides employees with convenient fitness resources and supports the cultivation of healthy lifestyles.



Yoga Club Activity in 2025



Mental Health Club Activity in 2025

Cultural and Recreational Activities

The Company has established a variety of interest clubs, including the Badminton Club, Basketball Club, Table Tennis Club, Reading Club, Mental Health Club and Film Club, providing financial support and dedicated venues for their operations. The Company regularly organizes sports competitions such as table tennis tournaments, badminton tournaments and basketball matches to enhance team cohesion.

During festive seasons, the Company hosts a series of themed events. For the Lantern Festival, a fun garden party is held. For the Mid-Autumn Festival, a rich array of activities is organized, including online mooncake gambling, creative check-in challenges, as well as offline events such as flower arrangement, lantern making, mooncake baking and cookie baking. These activities enable employees to experience the corporate culture amid traditional festivals.

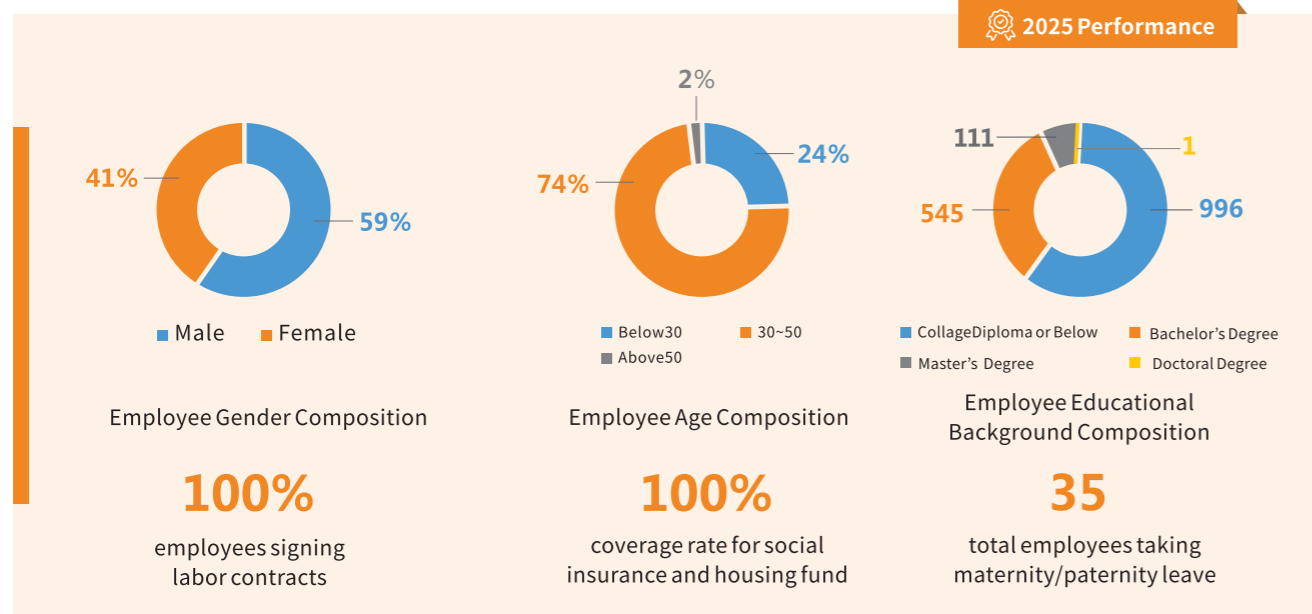


Badminton club



International Women's Day Event in 2025

Targets & Indicators



CAREER DEVELOPMENT

As an innovation pioneer in the electrical protection sector, Sinofuse Electric has always regarded talent as its most valuable strategic asset. The Company firmly believes that an outstanding talent strategy underpins its sustainable development and industry leadership, and continuously improves its promotion and training mechanisms to foster synchronized growth between employees and the enterprise.

Talent Development

Anchored in the core philosophy of "Talent Strategy Drives Business Strategy", the Company has built a comprehensive and multi-tiered strategic talent system that covers key talent groups including management cadres, high-potential talents, management trainees, and professional specialists. Through precise talent planning, diversified selection mechanisms, systematic development pathways, and scientific assessment and incentive mechanisms, the Company is committed to building a high-quality talent echelon and providing broad career development opportunities for talents at all levels.

Multi-Dimensional Career Development Path

The Company has established a dual-channel development mechanism featuring management and professional tracks in parallel, breaking through the bottleneck of single-track career development and enabling employees with different expertise to pursue clear growth paths. Based on differences in the value chain and job contributions, the Company categorizes positions into five major sequences: management, marketing, technology, function, and skill, covering 80 professional job categories to build a comprehensive talent echelon development system. Each sequence is further divided into detailed levels, providing employees with clear and achievable promotion pathways. Upon obtaining intermediate or higher professional qualifications, employees may transfer horizontally between the management track and the professional track, balancing individual career interests, potential, and the Company's development needs.

Case: "Dual-Track" Development Training Camp for Management Trainee

On July 7, 2025, Sinofuse Electric launched the 2025 Management Trainee Intensive Training. The month-long specialized program departed from the traditional single-track model and innovatively adopted a "Management + Professional" dual-track development system. Through systematic and professional training, the program provides solid talent support for the Company's high-quality development, while offering tailored development paths for management trainees to accelerate their growth in suitable professional fields.

Management Module: Cultivating Strategic Vision and Outstanding Leadership

- Strategic Thinking** ▶ Through in-depth courses and practical exercises, the program nurtures trainees' strategic vision, enabling them to gain insights into industry trends and corporate development directions from a macro perspective.
- Rotation Empowerment** ▶ A well-designed job rotation plan allows trainees to fully understand the operation processes of all business segments, break down departmental barriers, and build a comprehensive knowledge system.
- Senior Mentorship** ▶ Each trainee is assigned a senior mentor who provides one-on-one guidance, supporting their all-round development from practical experience to career planning.
- Practical Project** ▶ Trainees participate deeply in actual corporate project management, accumulating valuable hands-on experience and rapidly enhancing management capabilities and decision-making levels.

Professional Module: Deepening Technologies and Unleashing Innovation Potential

- In-depth Research** ▶ Focusing on professional proficiency, the program hones trainees' technical skills through specialized technical research and development projects.
- Industry Exchange** ▶ Trainees are encouraged to engage in industry technical exchanges to broaden their horizons, keep pace with cutting-edge trends, and stimulate innovative thinking.



Employee Training

The Company has formulated the Training Management System and developed an annual training plan, establishing a systematic training framework covering eight major categories: talent echelon training, professional capability training, new employee onboarding training, frontline employee training, general competency training, information security training, training administration, and Sinofuse Lecture Training. The system extends to employees at all levels, such as executive, management, and operational staff. During training implementation, it evaluates training effectiveness through theoretical assessments, practical evaluations, and performance tracking to ensure alignment with business needs. Targeted management protocols are also established for special scenarios such as external training, post-reinstatement training, and job transfer training.

Mentorship for Career Development

The Company implements a structured “mentor-mentee” mentoring system, assigning highly experienced senior staff as dedicated mentors to new employees and those undergoing job transfers. Mentors support employees in rapidly adapting to their roles and integrating into the working environment. Based on individual characteristics and career aspirations, mentors tailor personalized development pathways and provide one-on-one guidance in job skills, business processes, and career planning.

Online Learning Platform for Self-Directed Development

The Company has built the “Sinofuse Academy” online learning platform, breaking constraints of time and location while integrating rich learning resources. The platform offers high-quality external general courses as well as exclusive internal content including professional expertise and technical insights developed by senior in-house instructors. It supports multi-terminal access via mobile and desktop devices, enabling employees to learn autonomously anytime and anywhere according to their needs. The online platform complements offline training, satisfying fragmented learning demands and supporting continuous capability improvement.

Knowledge Sharing for Internal Collaboration

Centered on the “Sinofuse Lecture”, the Company regularly organizes high-quality sessions on cutting-edge industry trends and professional technical sharing, open to all employees to foster an open and shared learning atmosphere. Sessions are delivered by internal executives, technical experts, and distinguished external industry professionals, covering strategic interpretation, professional skills, industry analysis, and other key dimensions. The Company also encourages employees to participate in instructor certification and curriculum development, further enriching its internal instructor team and course system.



Internal Auditor Training on Audit Skills in 2025



Training Session of Sinofuse Lecture

2025 Performance

coverage rate for employee training **100%** total training sessions conducted **391**
 total training hours **39200** average training hours per employee **13**

HEALTH AND SAFETY

Safety is the lifeline for corporate development, and health is the foundation of employees’ well-being. Sinofuse Electric has established a long-term mechanism for workplace safety and health. Through a sound governance structure, rigorous risk prevention and control, and comprehensive occupational health protection, coupled with ongoing safety communication, education and training, the Company continuously strengthens safety awareness, enabling employees to work with peace of mind and achieve steady growth in a safe and healthy working environment.

Safety Management

The Company has established a comprehensive health and safety management structure to ensure that safety responsibilities are implemented in every process and at every position. The Board of Directors sets the overall strategic direction for health and safety, while the General Manager and the management team lead the strategic implementation. All departments coordinate to advance specific initiatives, with the General Manager Office serving as the core executing department, responsible for the formulation of safety rules and regulations, organization of safety training, hazard investigation, risk management and control, and other related affairs. Part-time safety officers are assigned to each department, forming a safety management network featuring “full participation and full accountability”, so that safety protocols are integrated into every detail of daily operations. The EHS team is specifically responsible for the development and implementation of production accident emergency plans, while promoting safety culture to embed the safety mindset deeply among all employees and foster a consistently safe working environment. A full set of institutional documents provides solid support for management practices. The Responsibility System for Work Safety and Safety Management and Control Procedures define safety responsibilities and operational standards at all levels and for all positions. The Standards for Environmental and Occupational Health Safety Training offers clear guidance for safety training activities, enabling the Company’s health and safety management to operate in a systematic and well-grounded manner.



ISO45001 Occupational Health and Safety Management System certification

2025 Performance

100%
 of entities certified with ISO45001

Risk Prevention

Hazard Identification and Control

The Company attaches great importance to the management of hazard sources and occupational hazard factors, and has established a sound process for identification, assessment and control to reduce safety risks at the source. Based on the dual-prevention mechanism, the Company organizes safety managers from all departments to conduct comprehensive risk identification annually in line with actual operations. The EHS team consolidates and screens the results, identifies major safety risks, and formulates targeted control measures. In the first quarter of each year, the Company carries out full identification and assessment of hazard sources at production sites, ensuring 100% coverage of hazard monitoring. Meanwhile, a dynamic safety management archive for hazard sources is established, with clear management procedures, monitoring measures and responsible persons, realizing full-process tracking and dynamic control. Workshops take the initiative to conduct self-inspection and self-correction of potential hazards and promptly report rectification progress, forming a closed-loop management system of “self-inspection, rectification, reporting and review” to eliminate safety hazards at the incipient stage.

Hazard Investigation and Rectification

The Company has established a multi-dimensional potential hazard inspection mechanism to solidly build a safety defense line. It regularly conducts routine inspections, including monthly 6S inspections integrated with safety checks to identify potential risks in production sites. On a quarterly basis, targeting key areas such as hazardous chemicals, electrical installations, and mechanical equipment, professional technical personnel develop specialized inspection content, enabling precise risk control through quantitative evaluation.

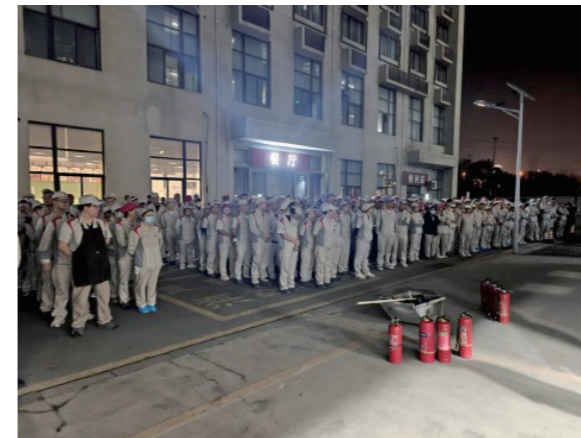
The Company also organizes targeted special inspections: preventive inspections for flood control, lightning protection, and heatstroke prevention are carried out in response to seasonal characteristics; before, during, and after national statutory holidays, key inspections focus on hazard sources, safety management of critical equipment, and the implementation of labor discipline. In daily operations, the Company ensures that operators fulfill their work safety responsibilities before taking up their posts, conducting pre-shift and post-shift checks as well as in-shift patrol inspections. Managers perform patrol inspections within their business scope, and pre-shift meetings focus on verifying the status of equipment, protective devices, working environments, personnel conditions, and the proper use of labor protection equipment.

Emergency Management and Drills

The Company has built a complete emergency rescue system for accidents and incidents, and issued the 2025 edition of the Production Safety Accident Emergency Plan, forming a three-tier emergency system consisting of a comprehensive emergency plan, special emergency plans and on-site disposal plans. The system covers 15 common types of accidents including fire and explosion, special equipment accidents, confined space operation accidents, electric shock, falls from height and vessel explosion, providing detailed guidance for emergency response in different scenarios. An internal information reporting mechanism has been established. The General Manager Office maintains a 24-hour emergency on-duty system with a dedicated hotline to ensure timely and efficient information reception and notification, enabling rapid response. The Company is equipped with sufficient emergency supplies and equipment, including fire extinguishers, fire hydrants, gas masks, protective clothing, warning tapes, emergency eyewashes, walkie-talkies, first-aid kits and emergency vehicles, with two micro fire stations set up on site. Rescuers regularly receive training and obtain certifications from the Red Cross Society of Shaanxi Province, equipped with professional on-site first-aid capabilities. The Company has also signed emergency rescue agreements with external medical institutions and established green channels for medical treatment, ensuring prompt and professional care for injured personnel in the event of an accident.

Case: 2025 Fire Emergency Drill Practice

On October 30–31, 2025, Sinofuse Electric organized a full-staff fire emergency drill. A total of 2,720 personnel were successfully evacuated, effectively testing the Company’s emergency response capability. Prior to the drill, the EHS Team of the General Manager Office developed a special drill plan, clarifying procedures and precautions. All departments promoted evacuation requirements through multiple communication channels. During the drill, upon activation of the sound and light alarm, staff evacuated in an orderly manner under guidance, bending over and covering their noses as required. Evacuation from production areas was completed within 4 minutes and 15 seconds, and assembly at the designated area for office zones was achieved within 6 minutes. Practical training on fire extinguisher operation was also conducted on-site to ensure all employees mastered core fire-fighting skills.



2025 Performance

major safety accidents **0**

completion rate of safety hazard rectification **100%**

LOCCUPATIONAL HEALTH

Occupational Health Protection

The Company has established a dedicated occupational health management system to targeted prevent and control occupational hazard factors in the working environment. Professional protective equipment, including emergency eyewashes, protective clothing, goggles and insulating gloves, is deployed at operational sites, providing tailored protection for employees in special posts such as those exposed to toxic and hazardous substances, high-temperature operations, and electrical work, thereby minimizing occupational health risks through hardware safeguards.

The Company also standardizes operating procedures, specifying clear operational standards and safety protection requirements for high-risk operations including hazardous chemical storage, confined space operations, and high-voltage electrical tests. For confined space operations, the principle of “ventilate first, test second, operate last” is rigorously enforced to fully safeguard the health and safety of operating personnel.

2025 Performance

work-related fatalities **0**

occupational disease incidence **0%**

Safety Culture Development

The Company regards safety training as a critical measure to enhance employees’ safety awareness and professional competence. A year-round safety training and promotion plan has been formulated, covering safety management, emergency drills, occupational health, standard operating procedures, and major risk prevention and control. The training scope covers frontline operators, new recruits and relevant management personnel, ensuring that staff in different positions acquire appropriate safety knowledge and skills. Through centralized lectures, on-site operation training, case studies, emergency drills and other diversified forms, the Company continuously improves the systematicness and targeting of training, strengthens employee safety awareness and risk prevention capabilities, and fosters a strong safety culture in which “everyone values safety, everything is done safely, safety is kept in mind at all times, and precautions are taken everywhere”.

2025 Performance

hours of safety training per employee **8**

coverage rate of safety education and training **100%**



Forklift Operation Safety Training in 2025



Traffic Safety Knowledge Training in 2025

Health Support and Protection

The Company has installed first-aid kits at key locations including workshops, office areas and laboratories, stocked with commonly used medical supplies such as iodophor disinfectant, medical swabs, adhesive tape, gauze, band-aids and burn ointment, enabling prompt treatment for minor injuries incurred by employees. Professional first-aid responders are stationed across various departments, ready to respond to sudden health incidents and provide timely initial medical assistance. In the meantime, the Company attaches great importance to the physical and mental health of employees. By improving the working environment, reasonably arranging workloads, and conducting health promotion activities, it guides employees to develop healthy working and living habits, safeguarding their physical and mental well-being in an all-round manner.

2025 Performance

100%

coverage of employee physical examinations

Case: Concern on Employees’ Mental Health in the Workplace

On May 23, 2025, Sinofuse Electric Trade Union’s Mental Health Community “Clear Sky Island” organized a themed event on emotional management and stress coping. A certified National Level 2 psychological consultant was invited as the keynote speaker, with 50 employees participating in the activity. The event focused on core workplace challenges including work-related anxiety, work overload, and work-life balance. Through sessions on accurate emotional identification, in-depth stress root-cause analysis, and group mutual support and communication, the activity helped employees eliminate “emotional internal friction”. With professional guidance and peer empathy, employees not only learned scientific methods to cope with stress but also gained mutual support, effectively enhancing their mental resilience and injecting warmth and strength into their daily work life.

MOVE FORWARD TOGETHER AS ONE BUILD SHARED PROSPERITY FOR ALL

A company's development cannot be separated from social support, as society provides a sound environment for its survival and growth. While pursuing its own development, Sinofuse Electric gathers synergies for common progress with the industry and empowers the upgrading of the industrial ecosystem. The Company builds a stable cooperation system based on supply chain security to achieve win-win development with partners. It delivers care through diverse social contributions and upholds its public welfare commitment via rural revitalization, promoting social harmony and progress.

Industry Collaboration	81
Supplier Management	84
Social Welfare	88

Our Actions

- Industry Collaboration & Shared Growth
- Supply Chain Security
- Rural Revitalization
- Social Contribution

Aligning with SDGs



© INDUSTRY COLLABORATION

Sinofuse Electric upholds an open and collaborative development philosophy and actively establishes a multi-dimensional, in-depth platform for industrial cooperation and exchange. Through industry-university-research collaboration, participation in industry exhibitions, joint standard development and other initiatives, it deepens cooperation with upstream and downstream industrial chain partners, universities and research institutions, to jointly advance technological progress and high-quality development of the industry.

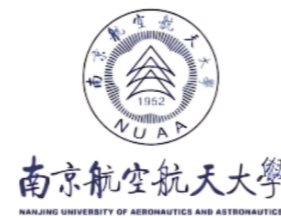
Industry-University Collaboration

The Company continues to deepen the integration of industry, university and research, and actively carries out technical cooperation and collaborative innovation with prestigious universities including Northwest University, Tsinghua University and Nanjing University of Aeronautics and Astronautics. A dual-driven cooperation model of “technology R&D + talent development” has been established. By jointly building practice bases, introducing expert consultants, and conducting joint scientific research, the Company promotes the transformation of technological achievements and the cultivation of innovative talents, continuously enhancing its core technological capabilities and independent innovation level.

Case: Joint R&D with Nanjing University of Aeronautics and Astronautics

In 2025, Sinofuse Electric established in-depth cooperation with Nanjing University of Aeronautics and Astronautics (NUAA), a national “Double First-Class” university, and signed a technology development contract titled Development of Laser Welding Technology and Prototype Manufacturing of Fuse Components with Multi-Material and Structural Types. In this collaboration, the Company provided five types of fuse components and relevant technical documentation. Relying on its disciplinary strengths, Nanjing University of Aeronautics and Astronautics developed customized laser welding processes for various components, including equipment modification, fixture design, process optimization and parameter debugging. A process knowledge base was established, and welded prototypes meeting performance requirements as well as corresponding analysis reports were delivered, providing core technical support for the manufacturing of a new generation of energy protection devices.

Adhering to the integrated industry-university talent development philosophy and adopting the Project-Based Learning (PBL) approach, the two parties have connected the talent cultivation chains of universities and enterprises, cultivating a new generation of scientific and technological talents with deep integration of technology and industry for the sector. Nanjing University of Aeronautics and Astronautics is a national “Double First-Class” university and a key university under the national “211 Project”. Materials Processing Engineering is a key discipline under the “211 Project” at NUAA.



Industry Leadership

The Company takes an active role in the formulation of national standards and industry association standards, leading the standardized development of the industry with its technological strength. In 2025, Sinofuse Electric participated in the development of one national standard and one association standard. Through in-depth engagement in standard drafting, the Company has translated its technological accumulation and practical experience in the field of fuses into industry-wide technical norms, helping to elevate the overall technical level and product quality standards of the industry, and strengthening its influence within the sector. Meanwhile, the Company has received multiple authoritative industry recognitions for its outstanding practices in quality and technological innovation as well as management system construction. It actively shares its high-quality experience with peers. Through the sharing of achievements and experience exchange, the Company works together with industry partners to improve quality management capabilities, empowering the high-quality development of the industry.

2025 Performance

Participated in formulating **1** national standard

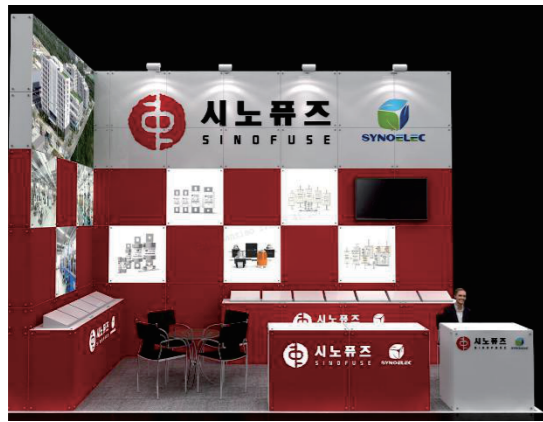
Participated in formulating **1** group standard

Case: Leading the Low-Voltage Electrical Appliances Market

On June 19, 2025, the release conference of the 2025 White Paper Series on China’s Electrical Appliances Industry was held in Shanghai. The event was guided by the China Electrical Equipment Industry Association, attracting more than 200 participants including industry leaders and experts, representatives of renowned domestic and overseas electrical enterprises, end-users and investment institutions. In the award ceremony, Sinofuse Electric won two core awards: the China Low-Voltage Electrical Appliances Market Sales Leadership Award and the China Low-Voltage Electrical Appliances Market Rapid Growth Award, recognizing the Company’s market share and technological advantages. Looking ahead, the Company will continue to work together with industry partners to drive the global energy system toward a low-carbon, intelligent and efficient future through technological innovation, contributing new expertise and momentum to the high-quality development of China’s electrical appliances industry.



Case: Addressing Core Industry Challenges and Building a Full-Scenario Circuit Protection Ecosystem



In March 2025, Sinofuse Electric made a prominent appearance at INTERBATTERY 2025 in South Korea, presenting a wide range of cutting-edge products and solutions tailored for the new energy sector. Through dynamic demonstrations, application case analyses, and one-on-one consultations with technical experts, the Company intuitively demonstrated the reliable performance of its products under extreme operating conditions. The Company also released the report entitled New Energy Multi-Scenario Circuit Protection Solutions, which provides the industry with systematic references for safety solutions from the perspectives of technological trends, standard development and scenario-based design. It highlights Sinofuse Electric's role as a technology leader and ecosystem builder, and showcases its innovation strength and global strategic layout in the circuit protection sector.

In 2025, the Company participated in a series of international and regional industry exhibitions, including INTERBATTERY in Seoul, South Korea; MEE in Dubai, UAE; PCIM Expo in Nuremberg, Germany; RE+ in Las Vegas, USA; and Automotive World in Tokyo, Japan. Leveraging these exhibition platforms, the Company showcased its core products and technological advantages to global customers, gained in-depth insights into international market trends and cutting-edge industry developments, effectively expanded its overseas cooperation network, and strengthened its brand influence in the global power protection system sector.

Exhibition Exchanges

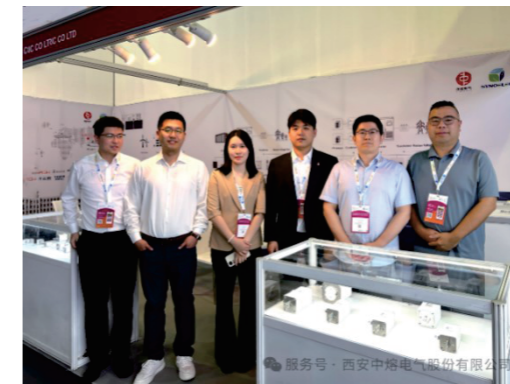
The Company actively participates in global industry exhibitions to build a bridge for international cooperation and brand demonstration. It conducts in-depth discussions with authoritative experts and outstanding peers in the industry on technical research and development challenges, evolving market demands, and innovative cooperation models, thereby contributing to technological advancement and resource sharing across the sector.

2025 Performance

Attended **11** domestic and international exhibitions

Covered markets across **Asia, Europe, North America** and other regions

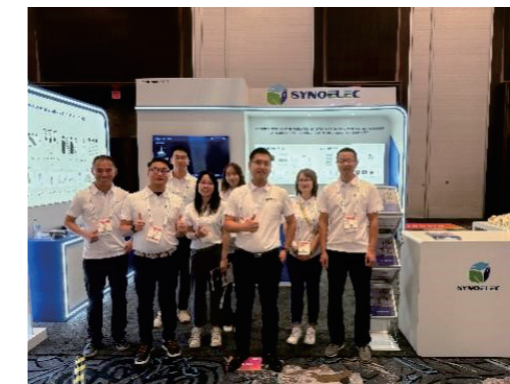
Case: Global Exhibition Tour, Expanding Market Influence



The 49th Middle East International Electricity, PV, Energy Storage & New Energy Exhibition (MEE Dubai 2025)



International Exhibition & Conference for Power Electronics, Intelligent Motion, Renewable Energy and Energy Management, Nuremberg, Germany (PCIM Europe 2025)



RE+ 2025 International Solar Energy Exhibition, Las Vegas, USA



2025 Indonesia New Energy Vehicle, Solar & Energy Storage Exhibition

Case: Presentation at CIBF 2025

In May 2025, the 17th China International Battery Fair (CIBF 2025) was held at Shenzhen World Exhibition & Convention Center. Under the theme of "Connecting the Global Chain, Empowering Green Development, Driving the Future", the exhibition focused on battery technology innovation and coordinated development across the entire industrial chain. It brought together world-leading enterprises, research institutions and industry pioneers, injecting strong impetus into the global energy transition. As one of the most influential new energy exhibitions worldwide, CIBF serves not only as a platform for technical exchange, but also as a key barometer of industry development.

Sinofuse Electric, together with its three brand portfolios – SINOFUSE, SYNOLEC, GAUSSELEC – made a distinguished appearance at the exhibition. With the highlights of "Scenario-based, Customized and Intelligent" solutions, the Company presented its integrated system offerings in new energy vehicles, energy storage, photovoltaics, data centers and other sectors, attracting numerous visitors for in-depth communication and cooperation.



SUPPLIER MANAGEMENT

Sinofuse Electric is committed to building a sustainable supply chain ecosystem, implementing standardized full-life-cycle supplier management, enhancing supply chain resilience and quality, strengthening risk management and control, and promoting green, low-carbon and responsible operations across all supply chain segments. During the reporting period, the Company had no overdue payments to small and medium-sized enterprises.

Governance

The Company has established a supply chain management system covering the full process of supplier selection, evaluation, assessment and improvement. Centered on the Supplier Management Specification, it defines the responsibilities and division of labor among departments including Procurement, Quality, R&D, Engineering and Manufacturing, and forms a closed-loop management mechanism. On this basis, the Company categorizes purchased parts into three types according to their importance: critical materials, general materials, and secondary/auxiliary materials, and implements corresponding hierarchical supplier management to ensure precise allocation of resources. Meanwhile, the Company integrates social responsibility and sustainable development requirements into core provisions. Suppliers are required to comply with standards such as SA8000 and sign the Supplier Social Responsibility and Sustainable Development Commitment, which clearly sets forth requirements including prohibition of child labor, equal employment, remuneration and welfare protection, and a safe working environment, to safeguard supply chain compliance and sustainability at the institutional level.

In 2025, the Company revised the Supplier Management Specification by adding a dedicated chapter on supplier sustainable development management, clarifying green procurement requirements, and driving suppliers to practice environmental protection concepts throughout the product life cycle.

Risk Management

The Company adheres to management documents including the Specification for Supplier Classification, Hierarchization and Performance Adjustment Management and the Supplier Upgrade Management Process. From the dimensions of supplier hierarchical evaluation and risk control, it defines management requirements covering the full lifecycle of suppliers including qualification, cooperation and exit.

Supplier Management Process		
Admission Screening	Qualification Review	Suppliers are required to hold certifications such as ISO9001 or IATF16949. Suppliers of key materials for automotive products shall gradually adopt the IATF16949 standard, and suppliers related to rail transit products shall obtain the ISO22163 certification. Suppliers in high environmental-impact industries such as electroplating and chemical processing shall additionally hold ISO14001 certification. Suppliers for customer projects involving information security requirements shall establish an information security management system and provide supporting documentation.
	Compliance Review	The Supplier CSR Assessment Form is adopted to evaluate potential suppliers on labor rights, environmental management, information security and other dimensions. Suppliers with a Grade D assessment result will be directly excluded from the onboarding process. The Company also verifies suppliers' compliance with conflict minerals requirements, mandating the submission of a CMRT report and a Commitment to Non-Use of Conflict Minerals. High-risk suppliers sourcing raw materials from conflict-affected areas shall not be approved.
	Capability Assessment	A cross-functional team conducts audits of potential suppliers covering technical capability, quality control, production capacity, delivery assurance and other core dimensions. Only suppliers with a score over 60% and no non-conformities in zero-tolerance items may pass the assessment.
Dynamic Evaluation	Monthly Evaluation	The evaluation covers 8 indicators including quality, delivery and service, with additional deductions for RoHS non-compliance, information security issues and unmet quality targets. Suppliers are classified into four grades from A to D, with a formal downgrading mechanism. Grade C and D suppliers must complete improvements within one month.
	Annual Evaluation	The annual score is composed of the average monthly score, stability of monthly scores, continuous supply performance and supply capacity. Supply capacity assessment covers 7 dimensions: technology, quality, delivery, capacity, price and others. The annual evaluation serves as the core basis for supplier upgrading, rectification or elimination.

Process Control	Risk Identification	Risk identification is performed at least once per year for Class 1 and Class 2 suppliers and recorded in the Risk and Opportunity Assessment Form, covering potential risks including supply stability, quality fluctuation and compliance changes. Monthly quality monitoring and unannounced on-site audits are conducted to track suppliers' production compliance and product quality stability.
	Issue Improvement	Quality issues are classified into four levels according to severity, with corresponding rectification time limits. The effectiveness of improvements is verified through supplier self-certification, document review, remote video inspection and on-site re-audit.
Training and Empowerment	System Training	For suppliers without certifications such as ISO9001 / IATF16949, the Company provides training and guidance on system establishment, assists in formulating certification plans, and helps improve their quality management systems.
	Specialized Training	The Company organizes specialized training for suppliers on key areas including conflict minerals management, RoHS compliance, information security and special process control, interpreting relevant policies, regulations and internal requirements to enhance compliance capabilities.
	On-site Support	For underperforming suppliers or those requiring rectification, the Company dispatches technical experts to provide on-site guidance focusing on quality improvement, process optimization and risk prevention, delivering customized solutions.

Strategy

The Company provides multi-dimensional empowerment and support to suppliers in terms of technology, management and sustainable development, striving to build a responsible, compliant and green supply chain.

Supplier Empowerment

Technical Empowerment

Disseminate corporate technical specifications and related documents to suppliers, and promote the application of process control tools
Organize on-site support by technical experts for major issues identified in customer complaints and audits, assisting suppliers in optimizing production processes and quality control procedures

Management Empowerment

Share internal best management practices and cases, collect rectification experiences addressing typical quality issues, and promote them horizontally among similar suppliers
Assist suppliers in establishing sound quality control, environmental management and social responsibility management systems, enhancing their standardized operation capacity



Supplier Training in 2025

Business Ethics

The Company integrates business ethics and anti-corruption requirements into its supply chain cooperation, and fosters a clean and transparent cooperation environment through institutional constraints and internal control.

During the supplier qualification and onboarding stage, the Company signs with its suppliers the Supplier Social Responsibility and Sustainable Development Commitment and integrity-related agreements, which explicitly prohibit unfair competition practices including commercial bribery, fraudulent transactions and false publicity. Suppliers are required to abide by the principle of fair competition and uphold the bottom line of integrity and transparency in all business interactions. The commitment clearly stipulates that in the event of any violation by the supplier, the Company reserves the right to terminate the relevant contracts, pursue liability for breach of contract and claim compensation for losses, thereby drawing a clear bottom line for integrity from the very beginning of cooperation. For internal control, the Company imposes strict management on procurement personnel, clarifies job responsibilities and authority boundaries, and establishes a full-process supervision mechanism for procurement activities to prevent corruption risks in the procurement process.

Based on dual internal and external control, the Company builds sound and integrity-based partnerships with suppliers, and jointly safeguards a fair and equitable market environment.

Conflict Minerals

The Company strictly adheres to the Conflict Minerals Management Specification and requires its suppliers not to source conflict minerals. Such requirement is extended to upstream suppliers in the supply chain. Suppliers are required to trace the origin of minerals used in their products and conduct due diligence on responsible mineral sourcing, to prevent and reduce the risk that minerals contained in their products may directly or indirectly contribute to human rights abuses, environmental damage, threats to health and safety, and corruption. Through closed-loop management and control across the entire process, the Company maintains ongoing control over conflict minerals risks in the supply chain.

Prevention at the Source

During the supplier qualification phase, the Company requires suppliers to submit the latest CMRT report and the Commitment to Non-Use of Conflict Minerals. The mineral sources are verified against the RMI Compliant Smelter List to ensure all metal raw materials are sourced from qualified smelters. Suppliers failing to meet the requirements will be excluded from the onboarding process.

Hierarchical Control

The Company has established a conflict minerals risk hierarchical assessment mechanism, classifying risks into four levels based on raw material sources: risk-free, low-risk, medium-risk and high-risk, with differentiated management and control measures implemented accordingly.

Supervision and Rectification

The Company continuously monitors the compliance status of smelters. Upon identification of non-compliant smelters, suppliers are immediately required to suspend procurement, switch to compliant smelters and provide valid evidence. They must also formulate improvement and preventive measures and re-sign the commitment. Normal procurement will only resume upon satisfactory completion of rectification.

Environmental Awareness

The Company integrates green development principles into the entire chain of supply chain design, procurement and production, and encourages suppliers to jointly fulfill their sustainable development responsibilities.

In product design, the Company adopts a full life-cycle philosophy. Environmentally friendly, low-consumption and recyclable materials are prioritized for raw material selection, while highly polluting and energy-intensive materials are avoided, to minimize the environmental impact of the supply chain at the source. Meanwhile, the Company requires suppliers to adopt clean production technologies and optimize resource and energy efficiency in their operations, ensuring that pollutant emissions meet or exceed applicable standards.

In supplier management, environmental protection requirements are incorporated into the supplier evaluation system. The environmental responsibilities of suppliers are clearly stipulated in the Supplier Social Responsibility and Sustainable Development Commitment, safeguarding the environmental safety of materials. In addition, the Company encourages suppliers to use renewable resources and promotes the recycling of packaging materials. Products are required to be recyclable, easily disassembled and safely disposable upon disposal. By working collaboratively with suppliers to continuously enhance environmental management, the Company is committed to building a full-chain green supply chain ecosystem.

2025 Performance

127	suppliers in total	100%	suppliers signing integrity clauses
42	suppliers within the province	4	training sessions for improving internal supply chain capabilities
33%	Procurement from in-province suppliers	10	suppliers undergoing responsible mineral supply chain due diligence

© SOCIAL WELFARE

Sinofuse Electric regards social public welfare as an integral part of its corporate responsibility and social mission. It is committed to carrying out public welfare initiatives, including education support programs and care activities for grassroots groups, while sustaining efforts in rural revitalization and community care. Through concrete actions, the Company conveys care and fulfills its social responsibilities.

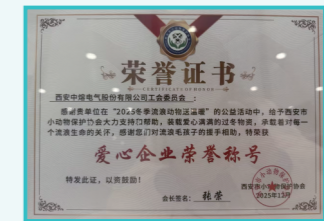
Volunteer Activities

The Company actively fulfills its corporate social responsibility by advocating the volunteerism spirit of “Serving the Society and Spreading Love”. It encourages employees to engage in public welfare endeavors, focuses on the needs of the public, and collaborates with communities to build a better shared homeland, enabling the benefits of corporate development to reach a wider range of people. In 2025, the Company donated care packages to 317 sanitation workers in Xiliu Subdistrict, and provided winter supplies to the Xi’an Small Animal Protection Association.

2025 Performance

Volunteer service 20 hours

Awarded the by **Honorary Title of Caring Enterprise**
Xi’an Small Animal Protection Association



Case: Warmth Delivery, Tribute to Urban Guardians



After the Start of Winter in 2025, Sinofuse Electric launched the “Warm Winter Campaign” at Xiliu Sub-district Office, donating care packages full of warmth to 317 sanitation workers. Each warm winter package was carefully equipped with practical cold-proof supplies such as thermal underwear, gloves and earmuffs, helping to keep out the winter cold and care for these hardworking urban guardians during their early mornings and evenings.



At the event, staff of the Company presented the care packages to the sanitation workers, extending sincere gratitude and high respect to them. The person-in-charge of Xiliu Sub-district Office presented an honorary plaque inscribed with “Warm Winter Campaign Conveys Care, Joint Efforts Shield Against Winter Cold” to the Company, which fully recognized the Company’s commitment to social responsibility and joint efforts in building a harmonious community.

Through such public welfare and voluntary activities, the Company has not only delivered positive impacts to the community, but also fostered a strong sense of social responsibility and dedication among its employees, demonstrating the due accountability of a responsible enterprise.

Rural Revitalization

Guided by the philanthropic philosophy of “Never forget the source of blessings and repay the society”, the Company integrates rural revitalization with industrial support and educational assistance. It takes concrete actions to advance the development of rural education and support the sound growth of young people.

Case: Public Welfare Initiatives, Empowering Rural Education

On May 29, 2025, Sinofuse Electric, in collaboration with the Charity Association and the Women’s Federation of Huyi District, launched a public welfare education assistance activity themed “Shining Childhood, Walking with Love” at Shijiazhuang Primary School in Huyi District. The Company donated school uniforms, stationery and books valued at over RMB 26,000 to students of Shijiazhuang Primary School in Laodian Subdistrict, inspiring children to pursue academic excellence and healthy growth.



The Secretary of the Company’s Party Branch, the Chairman of the Labor Union, and representatives of volunteer participants attended the event. In his address, the Chairman of the Labor Union extended sincere expectations to the students, encouraging them to aspire for great ideals and strive for progress. He also paid high tribute to the dedicated teaching staff, demonstrating the Company’s respect and firm support for education. The activity was highly recognized by the local government and the school. The Principal of Shijiazhuang Primary School delivered a speech of gratitude. The Charity Association and the Women’s Federation of Huyi District presented donation certificates and medals to the Company. Charity volunteers and public welfare art groups also presented original calligraphy and paintings as a token of appreciation.



REPORT APPENDICES

Key Performance Metrics

Environmental Performance			
Indicator	Unit	2024	2025
Environmental-Friendly and Safe Production investment	10,000 yuan	503.00	521.63
Total comprehensive energy consumption	Ton Standard Coal	1,341.85	1,911.85
Direct energy consumption	Ton Standard Coal	97.53	90.56
Indirect energy consumption	Ton Standard Coal	1,244.32	1,821.29
Natural gas	Cubic Meter	81,086.00	78,079.00
Electricity	Mwh	10,124.67	14,819.29
Solar energy	Mwh	189.76	166.99
Total greenhouse gas emissions	Tonnes CO2 Equivalent (t CO2e)	4,404.29	107,197.66
Scope 1 direct greenhouse gas emissions	Tonnes CO2Equivalent (t CO2e)	195.18	929.63
Scope 2 energy indirect greenhouse gas emissions	Tonnes CO2Equivalent (t CO2e)	4,209.13	8,607.40
Total water withdrawal	Tons	46,046.00	63,455.00
Total water consumption	Tons	46,046.00	63,455.00
Total domestic wastewater discharge	Cubic Meter	36,836.80	50,764.00
Total waste generated	Tons	55.23	741.68
Total generation of non-hazardous waste	Tons	49.30	728.32
Total generation of hazardous waste	Tons	5.93	13.35

Note: The total amount of non-hazardous waste generated in 2024 was estimated by waste management personnel based on the generation volume of waste paper, waste plastic and waste wood. Starting from 2025, the Company has strictly implemented weighing, statistical recording and other management measures for general waste.

Social Performance				
Indicator	Unit	2024	2025	
Total number of employees	Persons	1,379	1,653	
Number of male employees	Persons	758	973	
Number of female employees	Persons	621	680	
Number of employees under 30 years old	Persons	310	399	
Number of employees aged 30-50	Persons	1,037	1,218	
Number of employees over 50 years old	Persons	32	36	
Number of employees with associate degree or below	Persons	890	996	
Number of Employees with Bachelor's Degrees	Persons	416	545	
Number of employees with Master's degree	Persons	72	111	
Number of Employees with Doctoral Degrees	Persons	1	1	
Labor contract signing rate	%	100	100	
Social insurance and housing fund	%	100	100	
Total number of employees on maternity/paternity leave	Persons	26	35	
Training coverage for employees	%	100	100	
Total employee training sessions	Number of Sessions	162	391	
Total hours of employee training delivered	Hours	24,806	39,200	
Average hours of training received per employee	Hours	18	13	
Work injury insurance coverage rate	%	100	100	
Proportion of entities certified with ISO45001	%	100	100	
Number of major safety incidents	Cases	0	0	
Average hours of safety education and training per employee	Hours	8	8	
Safety training coverage rate	%	100	100	
Occupational disease incidence rate	%	0	0	
Employee physical examination coverage rate	%	100	100	
Number of work-related fatalities	Persons	0	0	

Product recall rate	%	0	0
Complaint handling rate	%	0	0
Number of technical staff	Persons	296	427
Ratio of technical staff to total employees	%	22	26
The number of valid patents obtained during the reporting period	Items	38	76
Number of invention patents applied to core business	Items	20	40
Number of invention patent applications filed during the reporting period	Items	37	21
Number of invention patents granted during the reporting period	Items	20	25
Total number of suppliers	Suppliers	117	127
Total number of suppliers within the province	Suppliers	40	42
Procurement proportion from in-province suppliers	%	34	33
Proportion of suppliers signing integrity clauses	%	100	100
Number of training sessions for improving internal supply chain capabilities	Number of sessions	8	4
Number of suppliers undergoing responsible mineral supply chain due diligence	Suppliers	6	10
Volunteer service hours	Hours	16	20

Governance Performance				
Indicator	Unit	2024	2025	
Number of board members	Persons	9	9	
Number of independent directors	Persons	3	3	
Proportion of independent directors	%	33.3	33.3	
Proportion of independent directors in the Audit Committee	%	66.7	66.7	
Proportion of independent directors on the Nominating Committee	%	66.7	66.7	
Proportion of independent directors on the Remuneration and Appraisal Committee	%	66.7	66.7	
Proportion of female directors	%	22.2	22.2	
Number of Board of Directors meetings	Number of Sessions	5	6	
Number of board proposals reviewed	Number of Sessions	21	38	
Director attendance rate	%	100	100	
Number of investor questions answered on exchange platforms	Number of Sessions	83	79	
Number of public announcements issued	Pieces	82	95	

Report Index Table

Dimension	Issues	Corresponding Chapter
Environ-ment-related	1.Addressing Climate Change	Topic: Addressing Climate Change & Accelerating Green Transition
	2.Pollutant Emissions	Pollutant and Waste Management
	3.Waste Disposal	Pollutant and Waste Management
	4.Ecosystem and Biodiversity Conservation	Pollutant and Waste Management
	5.Environmental Compliance Management	Environmental Management
	6.Energy Utilization	Topic: Addressing Climate Change & Accelerating Green Transition
	7.Water Resource Utilization	Resource Utilization
	8.Circular Economy	Resource Utilization
Society-related	9.Rural Revitalization	Social Welfare
	10.Contribution to Community	Social Welfare
	11.Innovation-driven	Topic: Upgrading Intelligent Manufacturing & Empowering Industrial Innovation Technological Innovation
	12.Scientific and Technological Ethics	Technological Innovation
	13.Supply Chain Security	Supplier Management
	14.Equal treatment of SMEs	Supplier Management
	15.Product and Service Safety and Quality	Quality Management
	16.Data Security and Customer Privacy Protection	Customer Service
	17.Employees	Employment in Compliance/Career Development/Health and Safety
Govern-ance for sustainable develop-ment	18.Due Diligence	ESG Management
	19.Stakeholder Communication	ESG Management
	20.Anti-Commercial Bribery and Anti-Corruption	Business Ethics
	21.Anti-Unfair Competition	Business Ethics