



2025

SUSTAINABILITY REPORT

Guangdong SACA Precision Manufacturing Co., Ltd.



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About This Report

Report Overview

This report is the inaugural Environmental, Social, and Governance (ESG) report released by Guangdong SACA Precision Manufacturing Co., Ltd. This report discloses the Company's performance in environmental, social, and governance (ESG) areas to stakeholders based on the principles of objectivity, standardization, transparency, and comprehensiveness.

Reporting Period

Unless otherwise specified, the report covers the period from January 1, 2025 to December 31, 2025. Some contents may go beyond the mentioned period to ensure the completeness and comparability of the report.

Reporting Boundary

This report covers Guangdong SACA Precision Manufacturing Co., Ltd. and its wholly-owned subsidiaries. The scope of data disclosure is consistent with the consolidated financial statements of the Annual Report. Any differences in the boundary will be explained in the report.

Data Sources

All information and data in this report are sourced from the Company's official documents, publicly disclosed documents, and internal statistics. The financial data in the report comes from the audited financial statements mentioned in the 2025 Annual Report. The monetary amounts in the Report are expressed in RMB unless otherwise specified.



Reporting Standards

This report is prepared in reference to domestic and international ESG frameworks, including *Self-Regulatory Guide for GEM Listed Companies No. 3 – Preparation of Sustainability Reports (2026 Revision)* and *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange, the *Sustainability Reporting Standards (2021 Version)* issued by the Global Reporting Initiative (GRI), and the *IFRS Sustainability Disclosure Standards* issued by the International Sustainability Standards Board (ISSB). Meanwhile, it stays grounded in the industry context while highlighting the Company's unique characteristics.

Abbreviations

Full Name	Abbreviation
Guangdong SACA Precision Manufacturing Co., Ltd.	SACA, the Company, we
Guangdong SACA Innovation Technology Co., Ltd.	SACA Innovation
Qingyuan SACA Precision Manufacturing Co., Ltd.	Qingyuan SACA

Reliability Assurance

We ensure that the content in this Report is true, accurate, and complete, without false records, misleading statements, or material omissions, and assume responsibility for the authenticity, accuracy, and completeness of its content.

Report Publication

This report is published in PDF electronic format. You are welcome to visit the official website of Guangdong SACA Precision Manufacturing Co., Ltd. (<https://sh-abc.cn>) for more information and to download the report.

Chairman's Statement



In 2025, the manufacturing industry rode the wave of high-end, intelligent, and green transformation. Anchored in its corporate mission "to provide affordable, safe, and comfortable home hardware products for all," SACA leveraged over three decades of experience in the hardware industry and moved forward with innovation and dedication, writing a new chapter of high-quality development.

Starting as a basic hardware manufacturer, SACA has combined its core hardware business with cross-border e-commerce, encompassing areas such as smart furniture, household appliances, and whole-home customization; from sporadic CSR practices to systematic sustainable development, our growth at every step has been inseparable from the ultimate pursuit of quality, the unwavering commitment to innovation, as well as the trust and expectations of customers, shareholders, and the broader community. This inaugural sustainability report serves both as a comprehensive review of past practices and a solemn commitment to the future.

Deepening the Core Business to Build a Strong Foundation, Embracing Green Transformation as Our Defining Feature.

We always pursue green development in our core business as the foundation for high-quality growth. Focusing on such core products as intelligent hinges and slides in high-end precision hardware, SACA has empowered full-process control with automated production lines and the MES system, delivering consistent quality products to globally renowned customers, and improving both business volume and quality. In active response to the strategy of carbon peaking and carbon neutrality, the Company promotes the construction of photovoltaic power stations and widely advocates resource recycling in the e-commerce field. We ensure green, low-carbon products through high-standard compliance, integrating green manufacturing throughout our operations.

Empowering the Ecosystem through Synergy, Demonstrating Responsibility through Action.

Deeply rooted in the industrial ecosystem, we remain customer-centric. By establishing a full-cycle service mechanism spanning demand matching, R&D, and after-sales support, we accurately address tailored and high-end needs, continuously enhancing customer satisfaction and brand loyalty. Simultaneously, we implement a responsible procurement system, conducting compliance and green qualification audits for suppliers across the value chain. By empowering partners through technical guidance and shared standards, we lead the entire industry chain in embracing green and compliant practices. We prioritize employee growth by optimizing the work environment and safety protocols. We also refine compensation, benefits, training, and promotion systems to build a platform for shared growth. Externally, we actively engage in public welfare initiatives, poverty alleviation, and environmental advocacy, demonstrating corporate care through concrete actions and delivering on our social responsibility commitments.

Strengthening Foundations through Standardized Governance, Driving Upgrades via Digital Empowerment.

We continuously optimize our corporate governance structure and operational mechanisms while clarifying lines of authority. Upholding transparency and integrity, we enhance our full-process compliance and risk prevention systems, strengthen internal audits and integrity controls, and standardize information disclosure to safeguard the legitimate rights of all stakeholders. Integrating ESG principles into its development strategy, we have established a systematic ESG governance mechanism and conduct regular reviews to optimize performance. Meanwhile, we work to deploy digital systems such as ERP and SMOM to eliminate data silos. These digital tools enhance production efficiency, control accuracy, and operational agility, driving the synergistic advancement of business and ESG performance to fuel global expansion.

A New Journey, A New Mission. At this new starting point, SACA will stay true to our founding mission in manufacturing while building on this sustainability report. We will deepen our focus on core businesses, accelerate green transformation, digital upgrades, and industrial chain synergy, while steadily expanding our global footprint. With unwavering determination and a pragmatic approach, we will work with all stakeholders to build a high-quality, efficient industrial ecosystem, empowering industry upgrades through precision manufacturing and starting a new chapter for our high-quality development.

Chairman of Guangdong SACA Precision Manufacturing Co., Ltd.

Cai Gengxi

About SACA

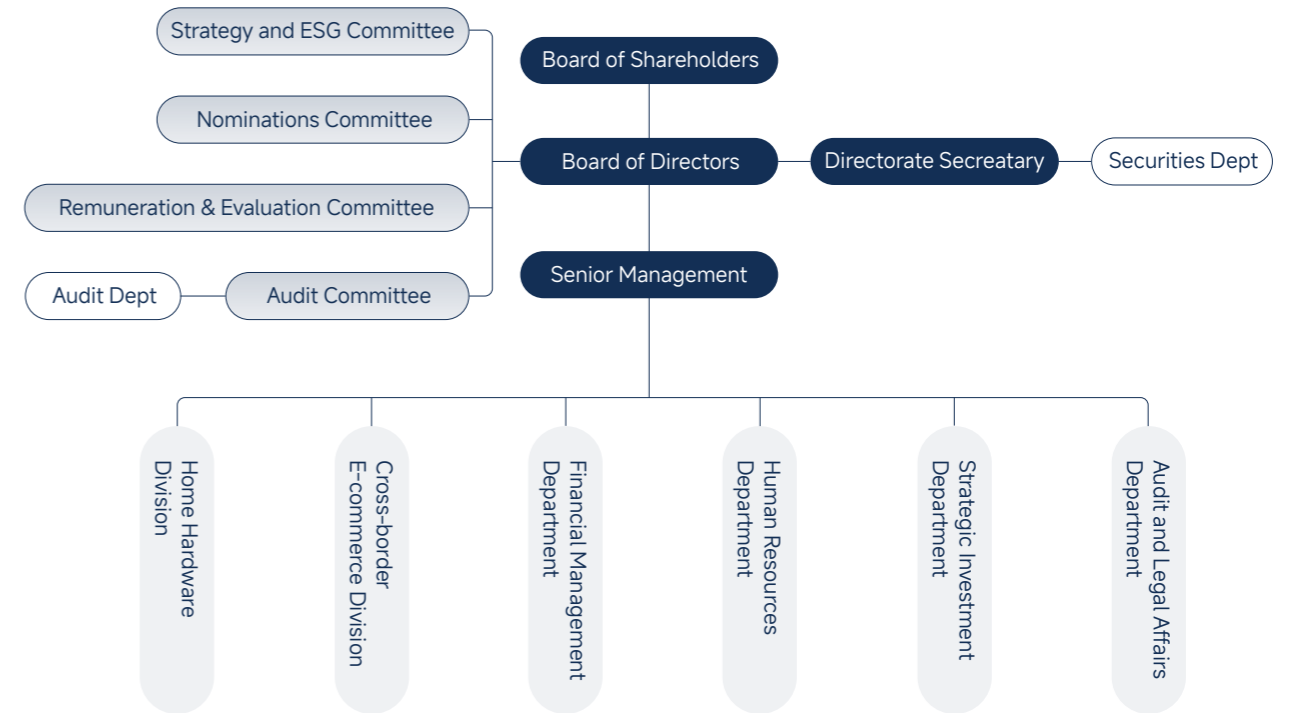
Company Profile

Founded in 1994 and headquartered in Shunde, Foshan, Guangdong SACA Precision Manufacturing Co., Ltd. is a national-level high-tech enterprise listed (stock code 300464) on the Shenzhen Stock Exchange in June 2015. With subsidiaries in Italy, the US, Germany, France, Japan, Hong Kong (China), and cities like Changsha, Shenzhen, and Qingyuan in the Chinese mainland, we operate in home hardware manufacturing, consumer product design, and brand management.

As a key player in the home hardware sector, the Company focuses on the R&D, manufacturing, and sales of core products such as slides and hinges. With a well-established network of service providers, agents, and distributors across major Chinese cities, its quality products are sold to over 50 countries and regions, meeting the diverse needs of global consumers. It has forged a distinctive model of "Made in China + Global Delivery."



> Organizational Structure



Business Layout

The Company operates globally with two core segments: home hardware and cross-border e-commerce.

Precision Home Hardware

The Company focuses on core categories like slides and hinges while delivering diverse hardware products for kitchen, bathroom, and storage applications, which are widely used in custom furniture, appliances, bathrooms, and automobiles. The Company works to lead the way with intelligent, high-quality products and grow into a benchmark service provider in high-end home hardware.

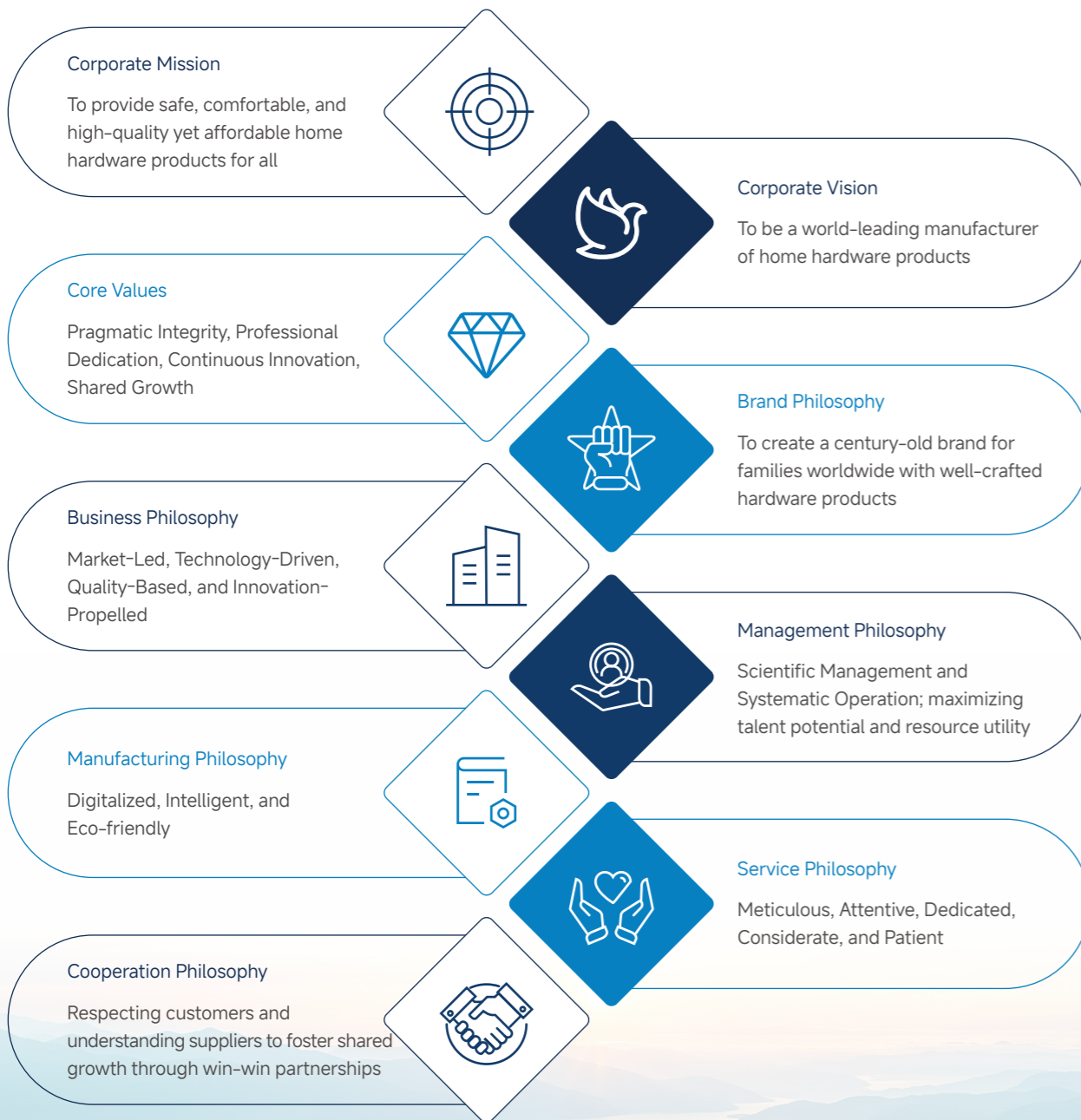


Cross-border E-commerce

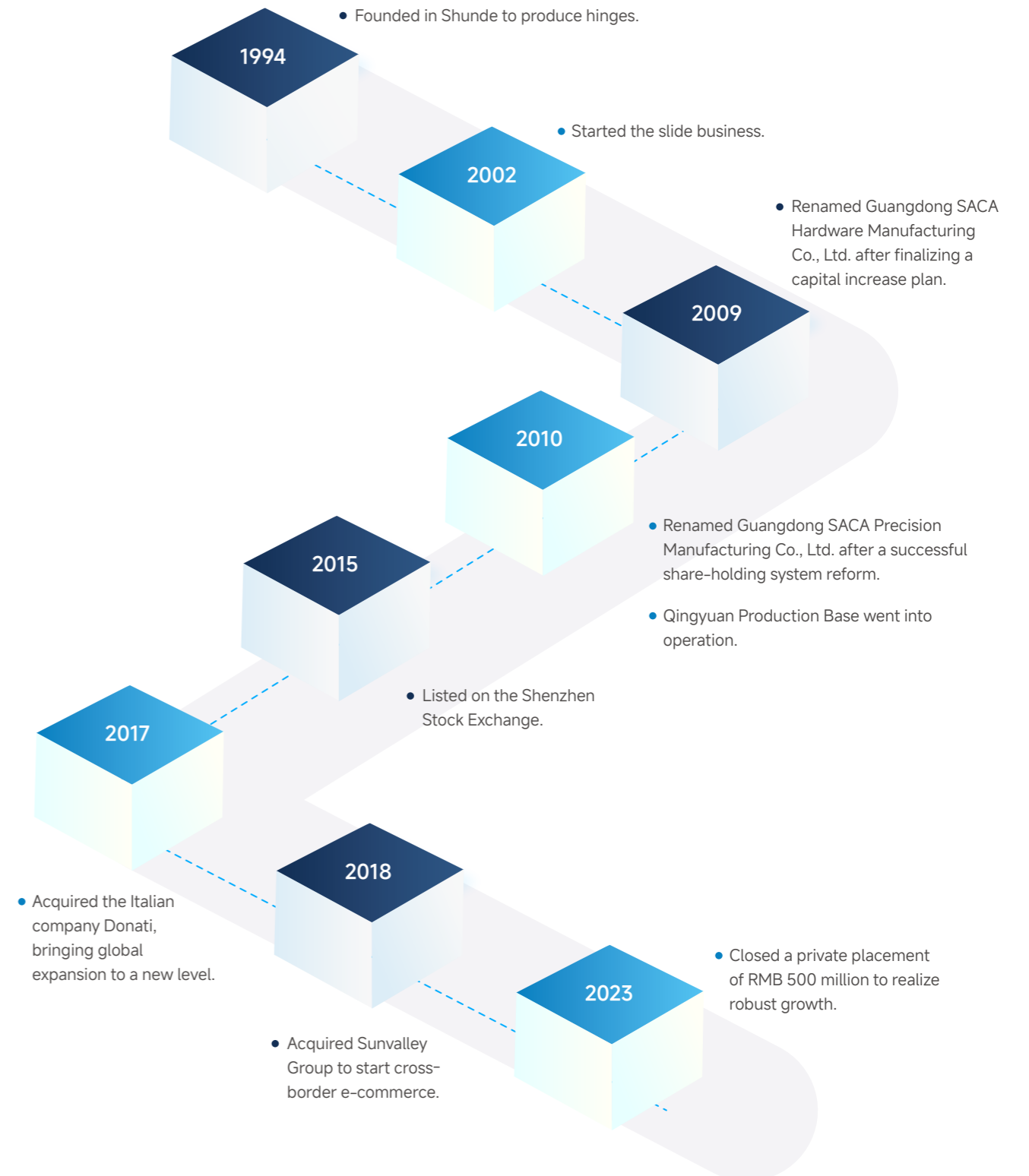
The Company operates globally by maintaining a presence on online platforms like Amazon and Walmart while connecting offline chain stores and dealers like Best Buy and Costco. In this way, its products for smart appliances, power supplies, computer and mobile phone peripherals, and furniture are sold to core markets in North America, Europe, Japan, and the Middle East. SACA has established a development pattern of "expanding global presence through cross-border channels based on the solid foundation of hardware manufacturing."

Corporate Culture

> SACA Corporate Culture



History Timelines



Honors and Awards

2025 Honors and Awards

- Top 500 Manufacturing Enterprises in Guangdong (No. 246)
- 2025 Top 30 Foshan Enterprises in Globalization (No. 6)



- 2025 Top 100 Enterprises (No. 63), Top 100 Manufacturing Enterprises (No. 43), and Top 100 Private Manufacturing Enterprises (No. 39) in Shunde
- Specialized and sophisticated SMEs that produce novel and unique products
- High-tech Enterprise



2025 Honors and Awards for Subsidiaries

- SACA Innovation – Work Safety Standardization Level III Enterprise (Light Industry)
- SACA Innovation – 2025 Tech-based SME
- SACA Innovation – 2025 Innovative SME
- SACA Innovation – High-tech Enterprise

- Qingyuan SACA – 2025 Innovative SME
- Qingyuan SACA – High-tech Enterprise



ESG Management

ESG Governance Structure

SACA has established a well-defined ESG governance structure with clear roles and responsibilities. By formulating the *Rules of Procedure for the Strategy and ESG Committee*, it has built a full-chain ESG management system featuring tiered decision-making, professional coordination, and collaborative implementation.

The Strategy and ESG Committee is the supreme decision-making and oversight body for ESG governance, holding ultimate approval authority over ESG matters. Its responsibilities encompass approving ESG strategies, goals, and plans, overseeing procedures to identify, assess, manage, and control risks and opportunities, evaluating executive performance against ESG targets, and approving major projects and disclosures. The President's Office acts as the lead department for ESG coordination and execution, overseeing policy formulation, target setting, cross-departmental collaboration, data management, key project implementation and external disclosure. The ESG Working Group, comprising representatives from production, supply chain, EHS, and HR, is responsible for the specific implementation and execution of ESG initiatives. The Company also leverages external intellectual support, engaging industry experts and consulting firms to provide professional advice and training, thereby enhancing the scientific rigor and transparency of its ESG management system.

In addition, the Company has integrated ESG performance indicators, such as environmental and safety management, into executive appraisals to drive initiative and capability for sustainable development.



> SACA ESG Governance System



- Review and approve ESG strategies, goals, and annual plans;
- Oversee the identification and management of significant ESG risks while providing guidance on related opportunities;
- Approve major ESG projects;
- Approve the external release of ESG reports.



- Organize research and draft ESG strategies, goals, and annual plans for Board review;
- Systematically identify and assess significant ESG risks and opportunities, and report findings to the Board;
- Coordinate with the management and functional departments to advance major ESG projects;
- Track progress of ESG goals and provide data support for the Board's performance evaluation of management;
- Coordinate major ESG projects and organize the preparation of ESG reports in alignment with Board requirements.



- Execute ESG-related tasks within respective departments and facilitate cross-departmental collaboration.



- Engage industry experts and consulting firms to provide professional advice and training.

ESG Strategic Roadmap

Driven by core capacity building for high-quality sustainable growth, SACA has formulated its *Three-Year Strategic Plan (2026-2028)*. Anchored in long-term commitment to value creation, the Company takes concrete actions to benefit the planet, society, and the industrial ecosystem, achieving a more sustainable future.



Stakeholder Communication

SACA prioritizes stakeholder engagement and collaboration. By establishing normalized and efficient engagement mechanisms with stakeholders, including government, regulators, industry associations, shareholders, investors, employees, customers, suppliers, and the communities, the Company identifies expectations and responds to concerns, creating greater value while enhancing ESG performance.

Stakeholders	Expectations & Concerns	Response Method
<p>Government, Regulators, and Industry Associations</p>	<ul style="list-style-type: none"> Responding to national strategies Engaging in compliant operations Leading industry development Supporting regional economic development 	<ul style="list-style-type: none"> Implementing national policies Maintaining operational compliance Promoting technological innovation and R&D Fulfilling tax obligations
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> Creating steady value Protecting shareholder rights Transparent information disclosure Enhancing corporate governance 	<ul style="list-style-type: none"> Ensuring long-term shareholder returns Hosting investor meetings Improving information disclosure quality Strengthening governance mechanisms
<p>Employees</p>	<ul style="list-style-type: none"> Protecting employee rights and interests Providing competitive compensation and benefits Employee career development Occupational health and safety Employee care and well-being 	<ul style="list-style-type: none"> Holding employees' representative congresses Optimizing the compensation and benefits system Broadening promotion channels Ensuring employee health and safety Enriching employee activities
<p>Customers</p>	<ul style="list-style-type: none"> Product quality and safety Strengthening customer relationship management Protecting customer rights 	<ul style="list-style-type: none"> Improving the quality management system Actively responding to customer concerns Protecting customer privacy Conducting customer satisfaction surveys
<p>Suppliers</p>	<ul style="list-style-type: none"> Integrity and mutually beneficial cooperation Adhering to business ethics Promoting supply chain sustainability 	<ul style="list-style-type: none"> Implementing responsible procurement Implementing open and transparent business principles Optimizing the supplier management system
<p>Communities</p>	<ul style="list-style-type: none"> Supporting public welfare Focusing on community development 	<ul style="list-style-type: none"> Actively participating in public welfare Engaging in volunteer services Creating job opportunities

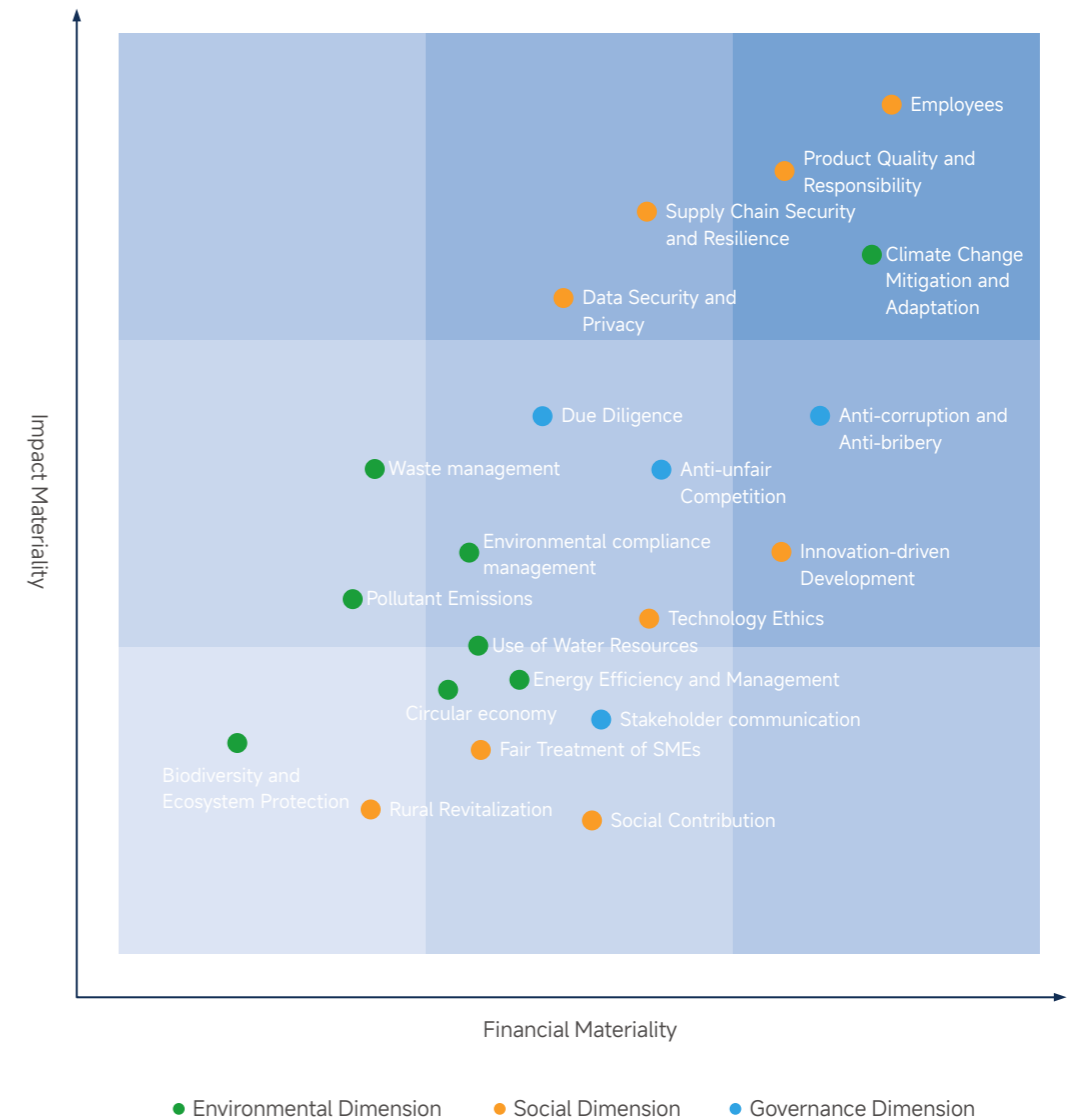
Materiality Assessment

Rooted in the "Double Materiality" principle, SACA conducts its ESG materiality assessment from two dimensions: how sustainability topics affect its business (financial materiality) and how its business performance impacts the economy, society, and environment (impact materiality). This approach determines ESG priorities.

> Materiality Assessment Process



> SACA 2025 Materiality Matrix



Spotlight I

Embracing Green Growth with Low-Carbon Initiatives

Strategic Leadership: Anchoring Long-term Goals and Paving the Way for Green Development

Putting green transformation at the center of corporate development, SACA systematically advances low-carbon development through a three-phase path: short-term foundation building, medium-term breakthrough, and long-term leadership. Clear and quantifiable goals demonstrate its determination for transformation and industry responsibility.





> Three-Phase Implementation Path of SACA Green Development Strategy



Amid the global wave of sustainable development and the implementation of carbon peaking and carbon neutrality in China, SACA integrates the concept of green development into its top-level strategic design and full-process business practices while keeping a strong foothold in home hardware. The Company has established a multi-dimensional development system, pursuing leadership through low-carbon strategies, underpinning business success through product innovation, empowering growth with clean energy solutions, and implementing a closed-loop system for resource recycling. As a specialized and sophisticated SME that produces novel and unique products in Guangdong, the Company actively responds to the requirements of the *Guangdong Province Circular Economy Development Implementation Plan (2022-2025)*. By undertaking tangible transformation measures, it fulfills its corporate social responsibility and provides a practical and replicable model for green industrial upgrading.

To set an industry benchmark, SACA sets challenging yet achievable quantitative targets in core areas of clean energy, resource circulation, and green products in response to the national carbon peaking and carbon neutrality goals and industry transformation trends, injecting enduring momentum into the Company's sustainable development.

> SACA Core Green Development Targets

Target Dimension	Content	Progress
 Clean Energy	Achieve 100% green power coverage in production in select plants by 2024	Achieved
 Resource Circulation	Achieve 100% renewable resource utilization across the full value chain by 2030	Finished hardware products are shipped with paper pallets instead of traditional wooden ones, and woven bags are reused to achieve material circularity
 Green Products	Achieve large-scale application of raw materials containing over 95% recycled steel in core products by 2026	Raw materials containing over 95% recycled steel have been introduced into production
 Low-Carbon Certification	Complete carbon label certification for core products by 2026	Gradually introduce new materials with carbon label certification into core product manufacturing

Product Innovation: Embedding Green Genes and Ensuring Low-Carbon Source

Emphasizing a full lifecycle carbon reduction approach, SACA integrates green concepts throughout product design, material selection, and manufacturing. This approach reduces environmental impact at the source while keeping the bottom line of quality and compliance.

When designing hardware products, the Company moves beyond the traditional function-oriented limitations and integrates circular economy concepts. The design of its core products, such as high-end slides and hinges, focuses on optimizing durability and high load-bearing performance. Through structural and process innovations, material consumption is reduced, fundamentally lowering product replacement frequency and the full-lifecycle environmental footprint; to align with the industry trends of easy recyclability and circularity, the product design incorporates easy-to-disassemble features, laying a solid foundation for subsequent resource recycling and regeneration.

In material selection, the Company has established strict green screening standards and upgrading systems. Currently, its high-end products widely utilize eco-friendly materials such as 304 stainless steel. Its excellent corrosion resistance and structural stability extend product life and reduce resource consumption. By gradually replacing traditional coatings with low-carbon materials, the Company works to eliminate the release of hazardous substances at the source, embodying its product philosophy of "Built to Last."



> Sustainable Product Design Cases in the Hardware Business

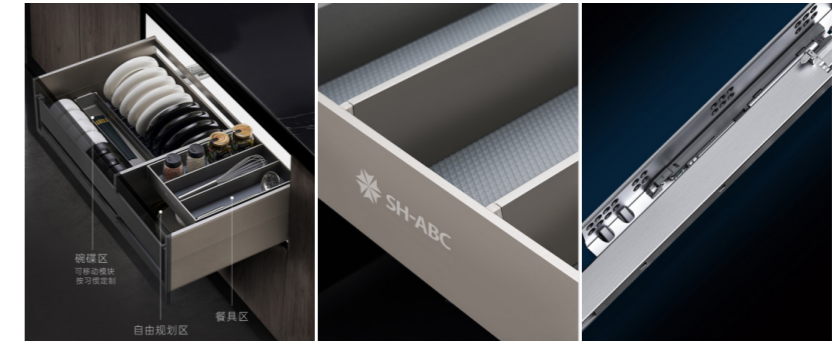
MZ Tandem Box – Quick-assembly and disassembly design reduces resource waste

The MZ Tandem Box features a 3D six-way adjustment system that allows for comprehensive positioning, simplifying the installation process; it features an innovative tool-free assembly and disassembly system and optimized panel structure, enabling quick detachment of the entire drawer via integrated locking mechanisms. This reduces resource waste during installation, extends the product lifespan, minimizes unnecessary resource consumption throughout its lifecycle, and enhances overall sustainability.



Nebula Pull-out Cabinet Organizer Series – High space utilization enhances sustainability

The Nebula series utilizes a multi-tier sliding mechanism for opening and closing. Its flexible combinations, achieved through guide rail modules, maximize space utilization and reduce material consumption. SACA's concealed slides with synchronized soft-close mechanisms ensure smooth, collision-free operation, thereby significantly enhancing safety.



During the reporting period, the Company actively promoted the large-scale application of recycled materials, with a particular focus on verifying the feasibility of using raw materials comprising over 95% recycled steel. Among them, trial production utilizing select high-recycled-content raw materials proceeded smoothly, and these materials have been officially introduced into mass production.

Key Target

- By 2026, the Company plans to scale the application of **468** tonnes of raw materials containing over 95% recycled steel, assisting partner clients in achieving their renewable resource utilization goals.




Trial Production Site for Raw Materials Comprising over 95% Recycled Steel

In the cross-border e-commerce segment, the Company has guaranteed compliant and certified products across major global markets. Specifically, 100% of products for the European market comply with RoHS regulations; products supplied to the U. S. market fully meet California Proposition 65 and CPSC safety standards; and all domestically sold products have passed national environmental standard verifications. By building a multi-dimensional compliance assurance system, the Company has laid a solid green foundation for its global expansion.

> Case Study of Certified Overseas E-commerce Products

Baby Night Light

Baby Night Light has secured multiple authoritative certifications, including U. S. FCC, European RoHS, UK UKCA, as well as air and sea transport appraisal reports. Across the entire process, from raw material selection and production control to finished product testing, the Company strictly adheres to the environmental entry requirements of target markets. This high-standard compliance safeguards the product's green attributes and low-carbon footprint, ensuring full alignment with safety and environmental regulations in major sales regions worldwide.



Energy Transition: Building a Cleaner Production System with Clean Energy Alternatives

Focusing on energy structure optimization, SACA builds a clean manufacturing system of low consumption and high efficiency through clean energy substitution, energy-saving retrofits, and efficiency improvements. This drives tangible results in the green transformation of its production processes.

In clean energy deployment, the Company has installed rooftop photovoltaic (PV) power generation systems across its facilities, boasting a total installed capacity of 1,849.46 kW. The system operates on a self-generation and self-consumption model with surplus power fed into the grid. The estimated power generation over 20 years will total 41,447.3 MWh, with an average annual generation of 2,071.4 MWh. The generated electricity is first used in plant production, while surplus power is fed into the Guangdong Power Grid. This achieves the efficient utilization of renewable energy and provides stable, green power support for clean manufacturing.

Furthermore, during the reporting period, the Company purchased 527 Green Electricity Certificates (GECs), achieving full green power coverage in a standardized and compliant manner. This highlights its firm commitment to deep decarbonization.



Rooftop Photovoltaic Panels at the SACA's Facility

Key Performance Indicators



The Company's PV system generates an average of **2,071.4** MWh annually, with the potential to avoid around **1,099.08** tCO₂e.

Building on its PV system, the Company further developed a smart energy storage system and a supporting management platform. By harnessing energy storage technologies, SACA enhances its renewable energy absorption capacity, reduces reliance on purchased electricity, and optimizes its energy consumption structure. In this way, it can expand renewable energy applications, cut greenhouse gas (GHG) emissions, and drive improvements in both energy self-sufficiency and utilization efficiency.



SACA's Smart Energy Storage Management Platform

The Company also actively promotes energy substitution. Firstly, in select plants, all conventional 3T diesel forklifts have been completely replaced with electric models, significantly reducing carbon emissions and environmental pollution associated with diesel use; secondly, energy-efficient equipment has been widely deployed across the facilities to optimize auxiliary systems such as ventilation and lighting in workshops. This implementation of energy-saving technologies and equipment mitigates non-production energy consumption. This multi-pronged approach significantly boosts energy efficiency and makes clean production more refined and efficient.



Electric Forklifts in the Workshop

Resource Circulation: Building a Circular Economy Ecosystem in Full-Chain Synergy

Adhering to the principle of "efficient resource utilization and waste minimization," SACA has established a full-chain resource circulation system encompassing production, packaging, logistics, and the supply chain, ensuring that circular economy concepts are fully implemented.

In the packaging phase, resource consumption for e-commerce products is minimized by optimizing dimensions and design, with priority given to recyclable paper materials. Where plastic is unavoidable, biodegradable and eco-friendly alternatives, such as blister packaging and EPE foam packaging, are used; electronic manuals are used to replace physical paper versions, drastically reducing paper consumption and waste generation at the source. A "plastic-free and reduced wood" mandate is enforced in select plants for shipping hardware goods. Paper pallets are used in place of traditional wooden ones, and carton boxes are sealed with eco-friendly adhesives rather than iron staples, thereby significantly minimizing the environmental footprint of packaging.



Usage of Paper Pallets During Shipping

In logistics, the Company has made innovative upgrades to its packing methods and algorithms, shifting from the traditional FCL (Full Container Load) to LCL (Less than Container Load) while integrating an AI-driven optimization algorithm. Through intelligent calculations, container utilization rates are significantly enhanced, and overall transport batches and carbon emissions reduced. To meet product dimension requirements of online platforms, the Company devises optimal packing quantity and size configurations for each SKU. This approach not only guarantees transport safety but also curtails logistics costs and packaging material waste, thus achieving both environmental and economic benefits.

Regarding production scrap recovery, the Company has established collaborative recycling channels. Empty woven bags previously holding electroplating materials are collected daily during material turnover and transported to Qingyuan for secondary use, achieving the circular reuse of packaging materials; other manufacturing waste, such as metal offcuts, is sorted, recycled, and processed for repurposing. This boosts resource circulation efficiency and solidifies our commitment to circular economy practices.



Secondary Utilization of Woven Bags After Transit

> Usage of Production Raw Materials and Packaging Materials

Indicator	2025 Value
Metal consumption (tonnes)	72,538
Wood consumption (tonnes)	1,200
Packaging carton consumption (tonnes)	3,767
Packaging plastic consumption (tonnes)	1,291

> SACA's Green and Low-Carbon Actions and Achievements

Green Products

- Lead product design with circular economy concepts, prioritizing durability and recyclability optimization;
- Preferentially select eco-friendly and recycled materials; advance the large-scale application of green alternatives, such as 95% recycled steel;
- Establish a full-chain green compliance system to ensure products meet the environmental regulations of major global markets.

Clean Energy

- Deploy renewable energy projects, such as PV power stations, and combine them with GEC procurement to forge a "self-generation + compliant offset" model, thus achieving 100% green power coverage for manufacturing in select plants;
- Construct smart energy storage systems to enhance renewable energy absorption capacity, curb dependence on purchased electricity, and continuously optimize the energy consumption structure;
- Push forward energy-saving retrofits for production equipment and clean energy substitution, and promote refined energy management.

Resource Circulation

- Promote the application of recyclable and biodegradable packaging materials; optimize packaging design to achieve source reduction;
- Establish classification, recycling, and circular reuse mechanisms for production scrap; strengthen green synergy across the supply chain through measures like green supplier screening and cross-border circular packaging initiatives, aiming to minimize the full-chain environmental footprint.

Anchored in full-chain carbon reduction, SACA works to construct a closed-loop low-carbon system spanning from product inception to resource end-of-life. As a pioneer of green transformation in the home hardware sector, SACA upholds its "Born Green" ethos and deepens its green strategy. With firmer resolve, more pragmatic measures, and an open posture, the Company actively fulfills its CSR commitments and drives industry-wide green upgrades, moving toward its 2030 vision of 100% renewable resource utilization across the full value chain. SACA pledges to contribute its wisdom and strength to global sustainable development, ultimately forging a green brand that embodies ecological, economic, and social value alike.

Spotlight II

Embarking on a New Digital Journey Driven by Intelligence

As the digital economy is deeply woven into the manufacturing sector, SACA works to make its business fully digital and processes more intelligent through the dual engines of digital platforms and automated equipment, thus driving digital transformation across the entire value chain. By dismantling data silos, optimizing manufacturing processes, and fostering industry-academia-research collaboration, SACA has architected a modern, efficient, data-driven, and intelligently iterative operational system. As a result, the Company has gained strong momentum to pursue quality development and set a benchmark for digital transformation in the industry.

Digital Platforms: Full-Chain Integration for a Collaborative Operation System

Targeting core business scenarios, SACA has built a digital matrix spanning the entire value chain. With digital control throughout the process from R&D design and manufacturing to supply chain management and office collaboration, SACA has improved both operational efficiency and refined management. To date, the Company has established a robust and efficient application system network, enabling the deep interconnection of large-scale equipment, personnel, and IT systems. Automated data collection now covers 12 major business processes, including marketing management, after-sales service, production control, and quality assurance.



Key Performance Indicators



During the reporting period, over **80%** of business processes have been managed digitally, while the rate of digitalized production equipment neared **80%**. Following digital transformation, the average monthly product pass rate rose year-on-year from **98.56%** to **99.54%**, manifesting a significant surge in overall operational efficiency.



> Case Studies of Digital System Implementation



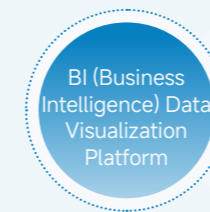
- Core business processes have been digitized and standardized. Production, procurement, inventory, and financial data are interconnected and shared in real time, curtailing offline reconciliations and redundant communications
- Inventory accuracy is improved, cost accounting becomes more standardized and granular, and the efficiency of automated financial bookkeeping is markedly elevated
- Approval workflows are traceable, internal controls tightened, and operational data queried in real time, offering robust support for managerial decision-making



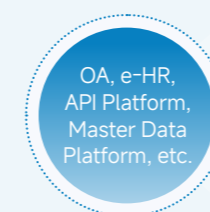
- Digital management for operations such as production planning, shop-floor execution, quality inspection, mold tracking, and equipment management renders the entire production process transparent and highly visible
- Processes like labor reporting, material requisition, consumption tracking, inbound quality inspection, and data transmission go paperless. Data is collected in real time and is fully traceable, accelerating response to anomalies
- Manual statistical workloads for frontline workers are eliminated, substantially enhancing both production efficiency and process control capabilities



- Enables centralized digital management of documentation related to product R&D, design, and engineering processes
- R&D documentation and material data are standardized, with clear, traceable version controls that bolster overall efficiency
- Cross-departmental data sharing is streamlined, mitigating duplicate coding and design errors. This shortens the R&D and time-to-market cycles for new products and makes data management rigorously controllable



- Facilitates the centralized integration and visual dashboard display of core metrics spanning production, finance, and sales
- Automatically generates comprehensive reports by consolidating scattered data from multiple business systems, replacing tedious manual aggregations and ensuring real-time, accurate, and easily accessible data
- Empowers management to intuitively grasp the business status at a glance, significantly boosting data analysis efficiency and ensuring scientific, timely business decisions

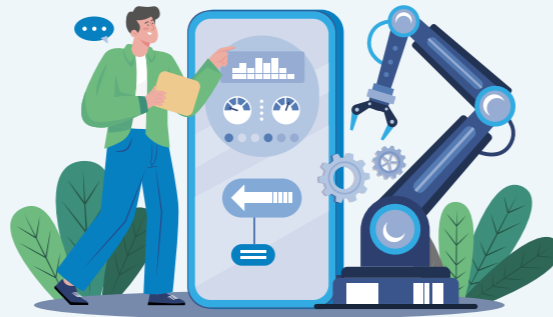


- Office automation and HR management workflows are fully digitized, ensuring agile and standardized approval processes
- The API platform dismantles information silos and facilitates seamless data exchange between systems. Concurrently, the Master Data Platform harmonizes foundational data (materials, clients, suppliers) to guarantee a single source of truth across the company
- This drives up overall operational efficiency, with data accuracy and system interoperability markedly enhanced

Automation Upgrade: Smart Manufacturing Pioneers a New Paradigm of Lean Production

Guided by the core strategy of automation and upgrades, SACA scales up smart manufacturing input for full-process intelligence and unmanned operations at critical links. By deploying automated equipment, optimizing processes, and innovating operational models across inspection, production, and packaging, the Company has established an intelligent system covering the entire chain. This comprehensive overhaul drives an exponential leap in production efficiency, product quality, and resource utilization, cementing a robust hardware foundation for smart manufacturing.

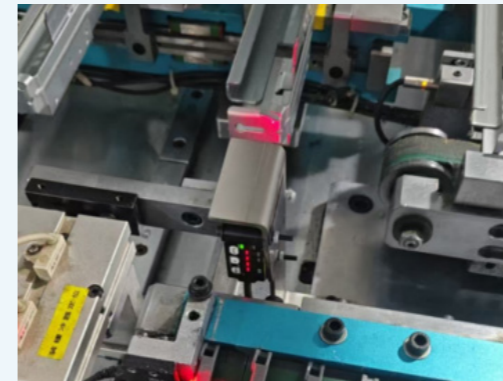
In terms of intelligent inspection, the Company has engineered a multi-dimensional, end-to-end smart inspection matrix with six core inspection methodologies. It guarantees quality control across production scenarios, improving inspection precision and efficiency beyond the reach of traditional modes.



> Applications of Intelligent Inspection Technologies

Laser Sensor Inspection

With one end of the product as a fixed datum, laser reflection measures the reflected distance to determine product dimensions, eliminating manual gauge checks and boosting dimensional inspection efficiency



CCD Intelligent Sorting

Detects defects in materials passing under the lens empowered by machine vision systems, eliminating the bottlenecks of slow manual sorting and missed detections



Probe Inspection

Employs probes to access internal product structures and verify component installation status. It is ideal for confined spaces where traditional sensors cannot be mounted, ensuring components are securely positioned



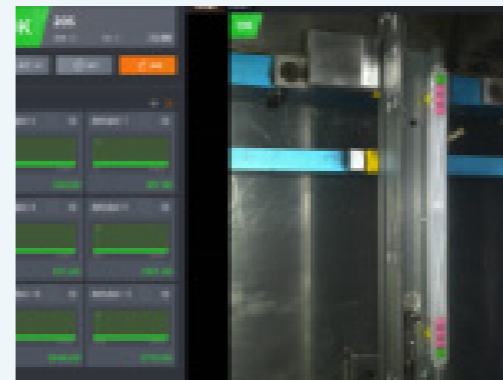
OV Contact Inspection

As metals are conductive, a circuit is closed upon probe contact to verify if the product is correctly seated. Rather than fragile traditional sensors, it minimizes sensing distance discrepancies and improves positioning accuracy



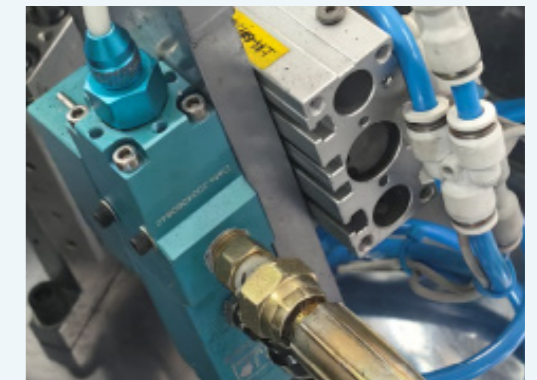
CCD In-Line Inspection

Captures real-time imagery to monitor material feeding during production. It promptly flags issues such as missing ball bearings during assembly, preventing defective units from flowing downstream and triggering rework



Volumetric Dosing Monitoring

Regulates oil dispensing via volumetric valves to ensure consistent, controllable lubrication and avoids volume fluctuations caused by air pressure variations. It guarantees robust production consistency



To maximize end-to-end efficiency and optimize costs, SACA pursues process optimization and equipment upgrades in core production processes. Through targeted automation innovations in critical workflows, the Company is moving toward a new manufacturing paradigm that is flexible and highly efficient.

> Smart Manufacturing Cases

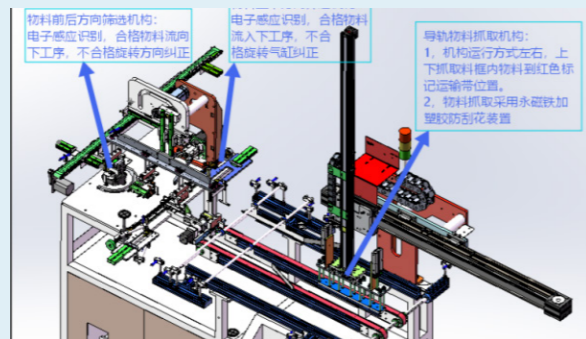
Connected Process Innovation

Seamlessly integrates slide rail stamping into an inline connected process, trimming manual material placement and transfer steps. While directly slashing labor costs, this minimizes cosmetic damage during material handling and ensures stable product quality. This is how the Company improves efficiency and quality with fewer staff



Automatic Feeding Systems

Automated feeding equipment specifically for guide/slide rail assembly lines, boasting wide compatibility with diverse materials and accommodating both sorted and unsorted incoming feeds. With streamlined debugging, swift product changeovers, and easy maintenance, these systems effectively replace manual labor, drastically alleviating labor intensity while boosting feeding speed and precision



Automated Packaging Lines

The Company has rolled out an end-to-end automated packaging line from inspection to boxing. CCD vision systems flag errors, omissions, and mixed parts. The intelligent film-sealing wrappers feature one-touch adjustments, while conveyor carriers dispense materials at precise drop points. Robotic boxing replaces manual stacking, integrated seamlessly with smart weighing stations. This achieves unified control over "inspection, dispensing, boxing, and weighing," holistically enhancing packaging efficiency and stability



Furthermore, to surmount core technological bottlenecks and deepen its smart manufacturing prowess, the Company actively pursues industry-academia-research collaborations. By establishing innovation platforms with universities, SACA leverages external intellectual capital to accelerate technological iterations and industrial upgrading.

Case Collaborative Automation Research with Jiangxi University of Science and Technology

SACA has forged a close partnership with Jiangxi University of Science and Technology, co-founding the "Equipment Automation Research Institute" and the "Automated Manufacturing Research Institute." The institutes bring together 120 technical experts to focus on the independent development of key process equipment. They integrate complex and labor-intensive procedures into a unified, automated solution and present core technologies in automation and intelligent control equipment. They help the Company master the independent development of key process equipment, setting a paradigm for university-enterprise collaborative innovation.

Case Visit to the 27th China Hi-Tech Fair

On November 14, 2025, SACA organized its core technical and management teams to visit the 27th China Hi-Tech Fair. Focusing on cutting-edge fields such as smart manufacturing and the digital economy, the fair brought together thousands of global high-tech achievements and industry benchmarking cases. The teams conducted targeted inspections of exhibition areas featuring automated production equipment, digital management systems, and industry-academia-research collaborative innovation. They thoroughly studied advanced technology applications and practical transformation experiences. This provided fresh perspectives for the Company's subsequent digital and automation upgrades, as well as the expansion of innovative cooperation channels, thereby helping the Company consolidate its core competitiveness in smart manufacturing.



Moving forward, SACA will remain focused on smart manufacturing, ramping up expenditure on R&D and equipment upgrades. By broadening and deepening its industry-academia-research collaborations, the Company will explore new scenarios for flexible and unmanned production. With firmer resolve and more pragmatic measures, SACA will propel itself toward higher levels of smart manufacturing, ultimately forging an industry-leading brand in the digital era.

01

Responsible Governance Partnering for Future Prosperity

- Consolidating the Foundation of Governance
- Standardizing Corporate Operations

Contribution to the UN Sustainable Development Goals (SDGs)

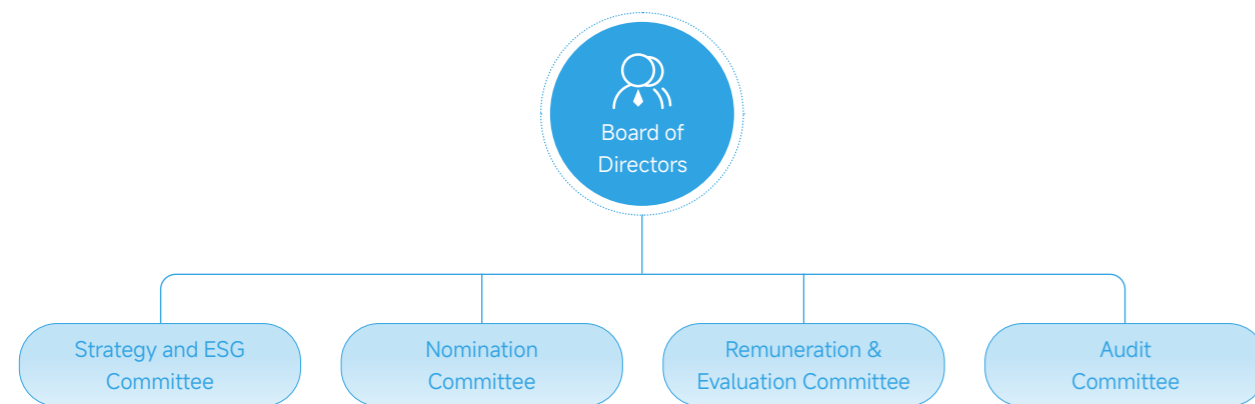


Consolidating the Foundation of Governance

Standardizing Corporate Governance

In strict compliance with applicable laws, regulations, and regulatory requirements, such as the *Company Law of the People's Republic of China* and the *Code of Corporate Governance for Listed Companies in China*, SACA has established a top-down governance structure characterized by clear roles and responsibilities and coordinated operations. The Board of Directors, as the core governance body, is supported by four specialized committees: the Strategy and ESG Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit Committee. Each performs its respective duties while working in synergy, laying a solid foundation for steady operations and long-term development. The institutional framework, including the *Rules of Procedure for the Board of Directors and the Remuneration Management System for Directors and Senior Management*, has been improved to effectively ensure the efficient conduct of Board meetings and provide institutional safeguards for the standardized operation of the Board.

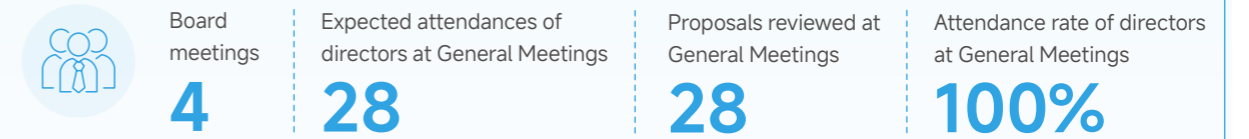
> Organizational Structure of the Board of Directors



The Company firmly believes that Board diversity is a core pillar for enhancing operational quality and efficiency, and for realizing its strategic sustainability goals. Meanwhile, it places great emphasis on safeguarding and elevating the effectiveness of Board decision-making. Currently, the Board comprises 7 directors who possess diverse industry backgrounds and profound academic expertise. This includes 3 independent directors and 2 female directors. The directors boast deep-rooted expertise and rich practical experience in finance, accounting, corporate management, and production operations. Leveraging their diverse professional perspectives and profound industry insights, they ensure scientific and comprehensive support for major decisions, thereby consolidating the decision-making foundation for sustainable development.



Board of Directors Meetings Summary



General Meetings of Shareholders Summary



> Specialized Committee Meetings Summary

Indicator	2025 Value
Strategy and ESG Committee meetings ¹	0
Nomination Committee meetings ²	0
Remuneration and Appraisal Committee meetings	1
Proposals reviewed by the Remuneration and Appraisal Committee	2
Audit Committee meetings	6
Proposals reviewed by the Audit Committee	21

¹During the reporting period, the Strategy and ESG Committee performed its duties in strict accordance with the *Articles of Association and the Rules of Procedure for the Strategy and ESG Committee of the Board of Directors*. As there were no major long-term strategic adjustments, significant investments and financing, major asset restructurings, or major capital operations requiring the Committee's review in 2025, no meetings were convened during the year. During the reporting period, the Strategy and ESG Committee faithfully fulfilled its strategic supervision and advisory duties by monitoring the execution of the Company's annual business plan, industry development trends, and the effectiveness of strategy implementation.

²During the reporting period, the Nomination Committee performed its duties in strict accordance with the *Articles of Association and the Rules of Procedure for the Nomination Committee of the Board of Directors*. Since there were no re-elections, supplementary appointments, dismissals, or qualification adjustments for non-employee representative directors or senior executives in 2025, no issues required the Committee's review, and thus no meetings were convened. During the reporting period, the Nomination Committee continued to oversee the qualifications of the Company's non-employee representative directors and senior executives, ensuring compliant and effective corporate governance.

Facilitating Investor Communication

SACA actively fulfills its information disclosure responsibilities in strict adherence to the *Information Disclosure Management System* and other regulations. It discloses information truthfully, accurately, completely, promptly, and fairly, while also monitoring daily public sentiment to ensure equitable and transparent information access for investors.

In 2025, the Company maintained communication with investors through multiple channels and formats, including the investor hotline, email, and the SZSE Hudongyi platform, achieving a 100% response rate. Furthermore, it hosted two online earnings presentations (for the annual and interim reports) and one offline institutional investor research session. These efforts sustained positive investor relations and bolstered the Company's corporate image.

Safeguarding Information Security

The Company fortifies its technical barriers for information security by comprehensively deploying network and data security products and services. It enforces stringent network access management via identity authentication, deploys firewall systems, advances network zoning controls, and achieves full coverage of antivirus software across all terminal devices. The Company has established a full-lifecycle protection system for data security, implementing end-to-end control measures that include data encryption, backup, recovery, data masking, and data classification. It conducts regular cybersecurity risk assessments both internally and via professional third-party agencies, thereby comprehensively safeguarding the Company's data and system integrity. In 2025, the Company experienced zero data breaches.

Furthermore, the Company actively organizes specialized information security training and participates in internal and external authoritative exchange programs. By combining theoretical learning with practical discussions, it enhances the information security capabilities of all employees. This is how the two lines of defense in information security are built.

Case SACA Conducted Information Security Training

In October 2025, SACA conducted specialized training centered on two core themes: "Personal Privacy Protection" and "Data Breach Prevention." The session not only systematically presented basic information security knowledge and clarified daily operational safety protocols, but also utilized practical case studies to illustrate the critical importance of information security to the Company's steady operations. This effectively bolstered enterprise-wide data protection awareness, helping to mitigate reputational and operational risks stemming from data breaches at the source.



Standardizing Corporate Operations

Upholding Business Ethics

SACA has established an effective integrity mechanism and formulated internal anti-corruption and anti-bribery policies, including the *Regulations on the Prevention of Commercial Bribery*, the *Red Line Management System*, the *Code of Integrity for Employees*, and the *Cadre Management Measures*. The Company actively encourages employees to sign the *Commitment Letter for Integrity and Self-Discipline*, participate in integrity culture training, and study the *Commercial Anti-Bribery Law*. By strictly prohibiting bribery in any external business activities and strengthening integrity awareness, SACA fosters a clean, upright, and ethical corporate culture.



Case SACA Conducted Anti-Corruption Training

SACA conducted internal anti-corruption training. Focusing on typical internal corruption cases from recent years, the training provided an in-depth analysis of illegal and undisciplined behaviors such as occupational embezzlement, commercial bribery, and tunneling. Through case reconstructions, data analysis, and legal interpretations, it vividly conveyed the damage corruption inflicts on the Company's finances and reputation, alongside its devastating impact on personal careers. This prompted employees to take heed and consciously abide by professional ethical standards.



> Anti-Corruption Training Summary

Indicator		2025 Value
Training sessions	Management	1
	Employees	1
Training hours	Management	1
	Employees	1
Attendances	Management	5
	Employees	15

The Company proactively broadens its multi-dimensional oversight by establishing public whistleblowing channels, including dedicated email addresses and hotlines. It encourages employees to report directly to the Audit Department, ensuring that these oversight channels remain unhindered and efficient at all times. The Company is committed to maintaining strict confidentiality regarding whistleblower information. It conducts swift verifications and timely follow-ups on reported matters, and discloses investigation outcomes and disciplinary actions in accordance with internal regulations, thereby fully protecting the legitimate rights and interests of whistleblowers.

SACA Whistleblowing Channels

 Whistleblowing Hotline: 18923106016

 Whistleblowing Email: xinghui@sh-abc.cn



Upholding the principles of fair and free competition and adhering to relevant anti-monopoly and anti-unfair competition laws and regulations, SACA has formulated the *Anti-Monopoly and Anti-Unfair Competition Policy*. The Company strictly prohibits reaching monopoly agreements with competing operators or counterparties, forbids the abuse of market dominance and other high-risk sensitive behaviors, and conducts regular compliance reviews and training to regulate market competition behaviors. It remains committed to fostering an honest, fair, and free market order and business environment. In 2025, the Company encountered no material litigation related to unfair competition or monopolistic practices.

> Anti-Monopoly and Anti-Unfair Competition Framework



- Review and approve the Company's strategies, goals, and annual plans for anti-monopoly and anti-unfair competition
- Oversee major compliance risks and opportunities



- Establish and improve the Company's compliance management system against monopoly and unfair competition
- Lead the formulation of the Company's major compliance management documents
- Organize and conduct anti-monopoly and anti-unfair competition training
- Establish a compliance appraisal mechanism, incorporating the results into overall performance evaluations
- Set up internal whistleblowing channels to receive employee reports regarding violations of anti-monopoly and anti-unfair competition regulations



- Implement anti-monopoly and anti-unfair competition requirements within their respective operational scopes
- Identify and preempt related risks and collaborate with the Audit and Legal Affairs Department in compliance management tasks





Compliance and Internal Control Management

SACA has formulated the *Risk Management Control Procedure* and constructed a full-process, closed-loop risk management system encompassing risk classification and identification, risk planning, risk control, risk response implementation, risk tracking and monitoring, risk verification, and risk modification. Eleven core departments, including the Marketing Center, Financial Center, Production Workshops, and Quality Control Department, work together to comprehensively screen for potential hazards, such as natural, social, project, and legal risks, across all stages of the product lifecycle. This ensures comprehensive risk identification without blind spots. The Company scientifically calculates risk coefficients based on their severity and frequency. Accordingly, risks are clearly classified into three levels (Level I, Level II, and Level III). Differentiated risk control measures are then formulated and documented in the *Risk Identification and Control Matrix*, fortifying the defense line of risk management.

The Company continues to promote organization-wide awareness of compliance and risk management responsibilities. Risk management review meetings are regularly convened to map out the core risk points of high-risk projects throughout the entire business and operational lifecycle and clarify risk drivers and potential impacts. In this way, it can safeguard stable corporate operations.

> Risk Control and Compliance Training Summary

Indicator		2025 Value
Training sessions	Risk Control	2
	Compliance	15
Training hours	Risk Control	2
	Compliance	30
Attendances	Risk Control	30
	Compliance	150

Enhancing Audit Efficacy

SACA has always prioritized the construction of its internal audit system. While enhancing internal audit governance mechanisms and formulating the *Internal Audit Policy*, the Company has established a three-tier governance framework: the Board of Directors provides overall leadership and coordination; the Audit Committee offers supervision and professional guidance; and the Audit Department takes concrete actions. Staffed with dedicated professional auditors, the Audit Department cements the foundation of all audit endeavors. A vertical reporting mechanism allows for objective operations completely independent from daily business management, ensuring fair and authoritative audit conclusions. The Audit Department submits dedicated work reports to the Audit Committee at least on a quarterly basis, achieving normalized and standardized oversight of all audit activities.

The Company's internal audits encompass all internal functional departments and holding subsidiaries, as well as equity-participating companies that exert a significant impact on the Company's operations and development. Focusing on the core areas of business activities, the Company conducts in-depth audits of critical links closely tied to the authenticity of financial reporting and the compliance of information disclosure. Specifically, this targets nine business aspects, including sales and collections, procurement and payments, inventory management, and fixed asset management. By identifying hidden management risks and tightening process controls, the Company has secured a better compliance trajectory. In 2025, the Company conducted 52 special audits, achieving a rectification rate of 82.59%.



Audit Training Summary



Training sessions
56

Training hours
32

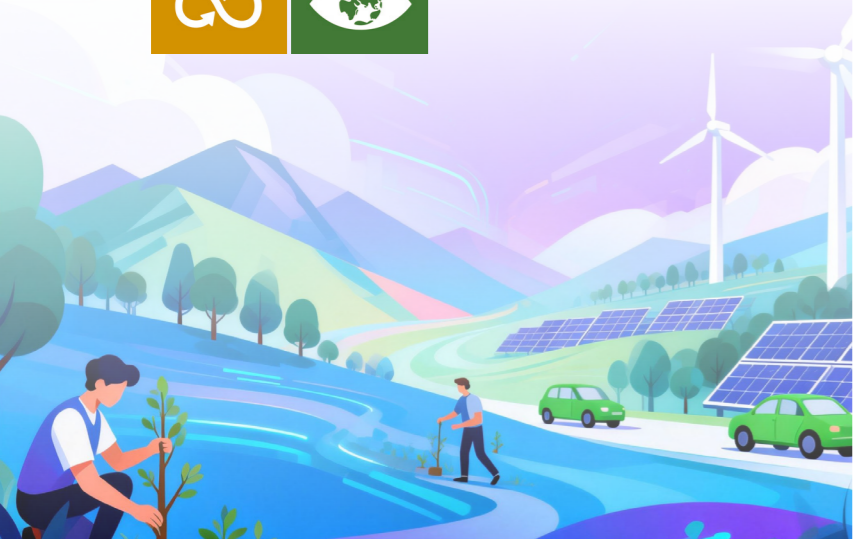
Attendances
600

02

Environmental Stewardship Safeguarding the Ecosystem

- Addressing Climate Change
- Environmental Compliance Management
- Implementing Cleaner Production

Contribution to the UN Sustainable Development Goals (SDGs)



Addressing Climate Change

Climate change stands as one of the core risks facing the globe today. It pertains not only to the ecological environment and human health but also exerts a systemic impact on the long-term sustainable development of enterprises. Guided by the national policy of carbon peaking and carbon neutrality, SACA actively embeds climate factors into its end-to-end strategic processes to pursue sustainable growth. With reference to the *IFRS Sustainability Disclosure Standards* issued by the ISSB, and strictly following the *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)*, we conduct climate risk management across four dimensions: Governance, Strategy, Risk and Opportunity Identification, and Metrics and Targets, thereby laying a solid foundation for green development.

Governance

To enhance its climate change response capabilities and drive effective strategy execution, the Company formulated the *Greenhouse Gas Management Policy*. This outlines control standards for climate-related risks and opportunities, standardizes the end-to-end management of GHG emissions, and provides institutional support for carbon management at direct-operated factories and green compliance in cross-border businesses.

Climate-related risks and opportunities are overseen by the Board of Directors. Meanwhile, the President's Office orchestrates their identification and impact assessment so as to formulate and aggregate response measures; the General Manager approves policies for carbon emission management and appoints a GHG Management Representative. This representative, together with the Administration Office and other departments, oversees company-wide carbon emissions and reduction efforts: data monitoring, carbon accounting, training, supervision, and evaluations. Furthermore, carbon reduction targets are explicitly linked to the capacity optimization of direct-operated factories, cross-border product compliance, and green supplier management. This scientifically drives GHG control at a practical level, weaving climate change actions into the Company's strategic planning, operations, and long-term goals. Ultimately, the Company has a solid foundation for green transformation.

Strategy

The Company regularly identifies and assesses climate-driven risks and opportunities, alongside the time horizons over which they could exert material impacts on the Company (Short-term: 0-1 year; Medium-term: 1-5 years; Long-term: over 5 years). By formulating targeted climate response measures, SACA effectively seizes low-carbon transition opportunities and bolsters its sustainable development capabilities.



> Identification of and Responses to Risks and Opportunities

Risk Identification and Reponses					
Risk Type	Risk Description	Timeframe	Value Chain Segments Affected	Financial Impact	Response Measures
Physical Risks	<p>Extreme weather events such as typhoons and torrential rains</p>	Short to Medium-term	Manufacturing, Warehousing & Logistics, Cross-Border Transportation	Escalated operating costs and squeezed profit margins	Optimize disaster recovery facilities at direct-operated bases and proactively formulate contingency plans; optimize overseas warehouse management, reinforce protective facilities, leverage the ERP system for unified, full-chain management of global warehousing and real-time cargo tracking, thus significantly enhancing the disaster resilience of both the supply chain and warehousing infrastructure
Transition Risks	<p>Policies and Laws</p>	Medium to Long-term	Manufacturing, R&D & Design, Cross-Border Sales, Supply Chain Management	Inflated compliance costs and restricted expansion in overseas markets	Construct a dynamic database for cross-border green regulations to track evolving green standards and updates in target markets in real time; establish an end-to-end carbon data collection and control mechanism across production at direct-operated factories, ensuring precise carbon accounting; propel green retrofitting to existing production processes to ensure products can meet the green entry thresholds of overseas markets
	<p>Market and Technology</p>	Short to Long-term	R&D & Design, Marketing, Client Cooperation, Financing, Brand Building	Eroded product competitiveness and escalated financing costs	Leverage direct-operated factories to rapidly iterate green hardware products, focusing on the R&D of low-energy and recyclable categories; refine the ESG information disclosure framework, regularly publish ESG reports, and fortify green brand building; actively engage with green financial institutions to optimize the financing structure. By leveraging stellar ESG performance to lower financing costs, the Company consolidates relationships with core clients

Opportunity Identification and Responses					
Type	Description	Timeframe	Value Chain Segments Affected	Financial Impact	Response Measures
 Product upgrades	Surging demand for green procurement broadens the market gap for low-energy, easily detachable, and durable hardware products. Obtaining green certifications erects competitive moats, perfectly aligning with the trends of green buildings and smart homes	Short to Medium-term	R&D & design, manufacturing, marketing	Boosted the added value of products, enhanced market competitiveness, and broadened profit margins	Utilize low-carbon, eco-friendly materials (e. g., recycled steel, bio-based coatings) and optimize structural designs to maximize energy efficiency and recyclability thanks to rigorous production controls of direct-operated factories; expedite green certifications for core products; synergize R&D and production departments to establish a rapid green product iteration mechanism. By aligning with the needs of the green building and smart home sectors, the Company will forge a differentiated green product portfolio
 Supply chain optimization	Collaborative decarbonization across green supply chains is trending. Implementing green supplier management drives down costs, while shortening cross-border e-commerce linkages slashes carbon emissions from intermediaries, ultimately elevating operational efficiency and resilience	Medium-term	Supply chain management, manufacturing, cross-border logistics	Lowered supply chain costs, augmented operational efficiency, and fortified risk resilience	Prioritize existing partners with low-carbon certifications and propel collaborative decarbonization among suppliers; optimize routing to eliminate redundant transfer nodes in the existing cross-border logistics process. A rationally planned distribution route allows the Company to cut logistics-related carbon emissions and facilitate supply chain response
 Market expansion	As overseas demand for green products expands, cross-border e-commerce allows for rapid responses to these needs, driving deeper market penetration; stellar ESG performance unlocks a more favorable financing environment	Medium to Long-term	Cross-border sales, marketing, financing activities, brand building	Expanded overseas market share, trimmed financing costs, and amplified brand value	Capitalize on the existing cross-border e-commerce footprint to precisely pinpoint the green market demands across different overseas regions and roll out targeted green hardware listings; refine the ESG organizational architecture and disclosure framework, and intensify the omni-channel (online and offline) communication as a green brand. By tapping into green financial resources with top-tier ESG performance, the Company reduces capital costs and fuels sustained penetration in overseas markets
 Operational efficiency upgrades	Energy-saving technological retrofits and digitalization can slash energy costs, boost management efficiency, and enhance production resilience, meeting the prerequisites of direct-operated factories for refined management	Short to Medium-term	Manufacturing, Operations Management, Data Management	Plunged operating costs, elevated management efficiency, and solidified profitability	Deploy eco-friendly and energy-efficient facilities, such as PV equipment and energy-saving machine tools, at new direct-operated production bases; and push forward energy-saving retrofits in production processes to curtail energy expenditure; digital tools are used to optimize production scheduling and operations management at direct-operated factories, bolstering risk resilience at the manufacturing end

Management of Impacts, Risks, and Opportunities

To address climate-related impacts, risks, and opportunities, the Company has established a management mechanism of identification, assessment, and response.



Metrics and Targets

SACA remains committed to green development. In active response to the national goal of "carbon peaking and carbon neutrality", the Company focuses on GHG emission management, driving carbon reduction across the entire production lifecycle and establishing definitive targets for GHG emission intensity.

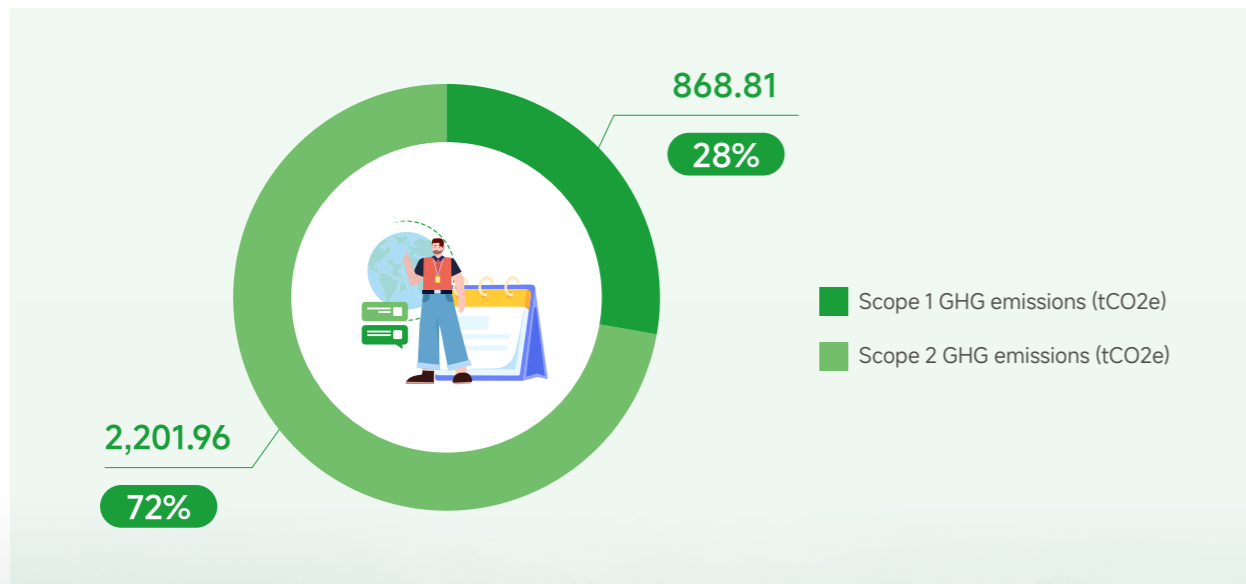


During the reporting period, the Company standardized its GHG accounting and management, rolled out carbon reduction practices, and elevated its overall GHG governance efficacy.

> GHG Emissions Performance

Indicator	2025 Value
Direct (Scope 1) GHG emissions (tCO2e)	868.81
Indirect (Scope 2) GHG emissions (tCO2e)	2,201.96
Total GHG emissions (Scope 1 and Scope 2) (tCO2e)	3,070.77
GHG emission (Scope 1 and Scope 2) (tCO2e / RMB millions of revenue)	2.05

> GHG Emissions



Environmental Compliance Management

Environmental compliance management constitutes the bedrock for enterprises to fulfill their eco-environmental responsibilities. It establishes both the legal bottom line and the managerial foundation for green production and operations. SACA strictly implements national environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Air Pollution Prevention and Control Law of the People's Republic of China*. The Company has developed its environmental responsibility framework, seamlessly integrating and embedding environmental awareness across all operational links to ensure that environmental protection initiatives are executed efficiently and systematically.

Environmental Management System

SACA actively fulfills its primary responsibility for environmental protection. It has formulated a suite of policies, such as the *Environmental Management Policy* and the *Contingency Plan for Environmental Emergencies*. A dedicated organizational structure for environmental accountability has been established. At the group level, the Chairman and Vice Chairman of the EHS (Environment, Health, and Safety) Committee are formally designated. Concurrently, dedicated EHS officers are appointed across all departments and within the Qingyuan and Shunde manufacturing centers. This setup guarantees highly efficient, cross-level collaboration and ensures that environmental responsibilities are precisely assigned to specific individuals.

> Environmental Management Organizational Structure



The Company strictly implements the "Three Simultaneities" system for environmental protection. All projects strictly follow the specific requirements outlined in the EIA (Environmental Impact Assessment) approval documents, realizing full-process, closed-loop management, spanning from initial project construction and the final acceptance of environmental facilities all the way through to official production. During the reporting period, the Company conducted the requisite EIA for the new slide rail production line. Notably, zero major environmental emergencies occurred, and the Company maintained a clean record with zero administrative penalties for environmental violations.

Key Performance Indicators



In 2025, the Company spent RMB **2.1517 million** in environmental protection, accounting for **0.14%** of total operating revenue.

During the reporting period, the ISO 14001 Environmental Management System certifications for the Company and its subsidiaries, SACA Innovation and Qingyuan SACA, remained fully valid and in effect.



Environmental Management System Certificate

Guided by its long-term development strategy, the Company has set quantitative environmental management targets and establishes definitive control standards across multiple fronts, including accident control, waste treatment, and noise management, promoting its green and low-carbon development.

> Environmental Management Targets and Progress

Target	Indicator	Progress
Eliminate fire incidents	Zero fire incidents	✓ Achieved
Waste disposal meets regulatory requirements	100% recovery and disposal rate for hazardous waste	✓ Achieved
Prevent chemical leaks and spills	100% classification and disposal rate for general solid waste	✓ Achieved
Compliant noise emissions	≤3 chemical leaks or spills per year	✓ Achieved
Effluent discharge complies with relevant standards	Factory boundary noise: ≤ 65 dB (A) during the day, ≤ 55 dB (A) at night	✓ Achieved
Fume emissions comply with relevant standards	Comply with the <i>Discharge Limits of Water Pollutants (DB44/26-2001)</i>	✓ Achieved
	Comply with the <i>Emission Limits of Air Pollutants (DB44/27-2001)</i>	✓ Achieved

Environmental Risk Control

Under the principle of "prioritizing prevention and enforcing comprehensive governance," SACA continues to improve its environmental risk control mechanisms. The Company regularly identifies environmental aspects of activities in all departments across such dimensions as time, condition, and environmental impact and issues an *Environmental Aspect Identification and Evaluation Form*. Accordingly, control measures are adopted against significant environmental risk factors, thereby ensuring the early detection and mitigation of various environmental risks.

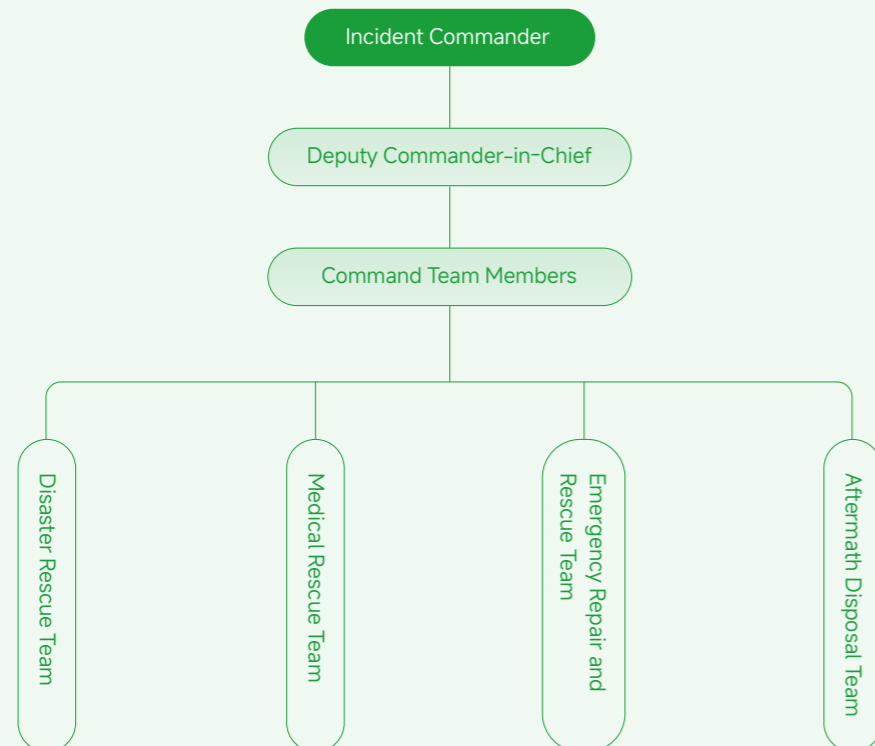
Beyond regular environmental risk identification, the Company routinely conducts environmental hazard inspections. Once issues are identified, it acts quickly to implement targeted corrective measures and enforce rectification acceptance and effectiveness reviews. A fully closed-loop management system, spanning inspection, correction, and verification, facilitates both production operations and environmental protection.

> Case Studies of Environmental Hazard Inspections and Rectifications



The Company has formulated the *Contingency Plan for Environmental Emergencies* and constructed a robust risk prevention mechanism. Internally, it has established an emergency rescue command center and specialized rescue teams, and defined the emergency handling procedures and response mechanisms. In this way, a rapid, scientific, and effective emergency management system for accident rescue and disaster relief is in place.

> Emergency Rescue Organizational Structure



Case Annual Fire Emergency Drill

On June 9, 2025, the Company conducted its 2025 annual fire emergency drill at the Shunde plant. The drill comprised three segments: on-site simulated fire evacuation, practical fire extinguisher operations for incipient fires, and outdoor fire hydrant operations. Fire brigade personnel were invited to explain fire safety protocols on-site, enhancing fire safety awareness across the workforce and improving their evacuation, escape, and rapid-response skills during fire incidents.



2025 Fire Emergency Drill

SACA places great importance on cultivating its employees' environmental awareness. By monitoring national environmental policy trends and promoting these policy requirements among employees, it has fostered an engaging culture where all employees are involved in promoting, supervising, and implementing green development initiatives. In daily office operations, the Company improves environmental knowledge, skills, and awareness among employees through measures such as default double-sided printing, restricting color printing to necessities, digitizing approval workflows and general office tasks, and scheduling air conditioner shutdowns. Employees can develop a mindset of ecological protection and put it into practice in daily actions.

Driven by the concept of water conservation, SACA enhances water resource management by strictly monitoring water usage across all links and rolling out water management measures. Water-saving equipment is deployed wherever possible in its operations, water-use processes optimized on production lines, and employees encouraged to conserve water in their daily work and lives. These measures boost water utilization efficiency.



Posted Reminders for Air Conditioning Management



SMOM Online System

During the reporting period, the Company conducted targeted environmental training on waste sorting, especially classification standards, disposal protocols, and the value of resource recycling. Classified waste bins are deployed across all workshops. This ensures that employees can effectively sort waste and promotes the categorized recycling and utilization of resources. Ultimately, green concepts are translated into the conscious actions of the entire workforce.



Specialized Training on Waste Sorting



Classified Waste Bins in the Workshop

> Environmental Protection Performance

Indicator	2025 Value
Environmental emergency drills	2
Environmental protection training sessions	2
Environmental protection training attendances	80
Environmental protection training hours	3
Office paper consumption (tonnes)	3.63
Domestic water consumption (tonnes)	123,051



Implementing Cleaner Production

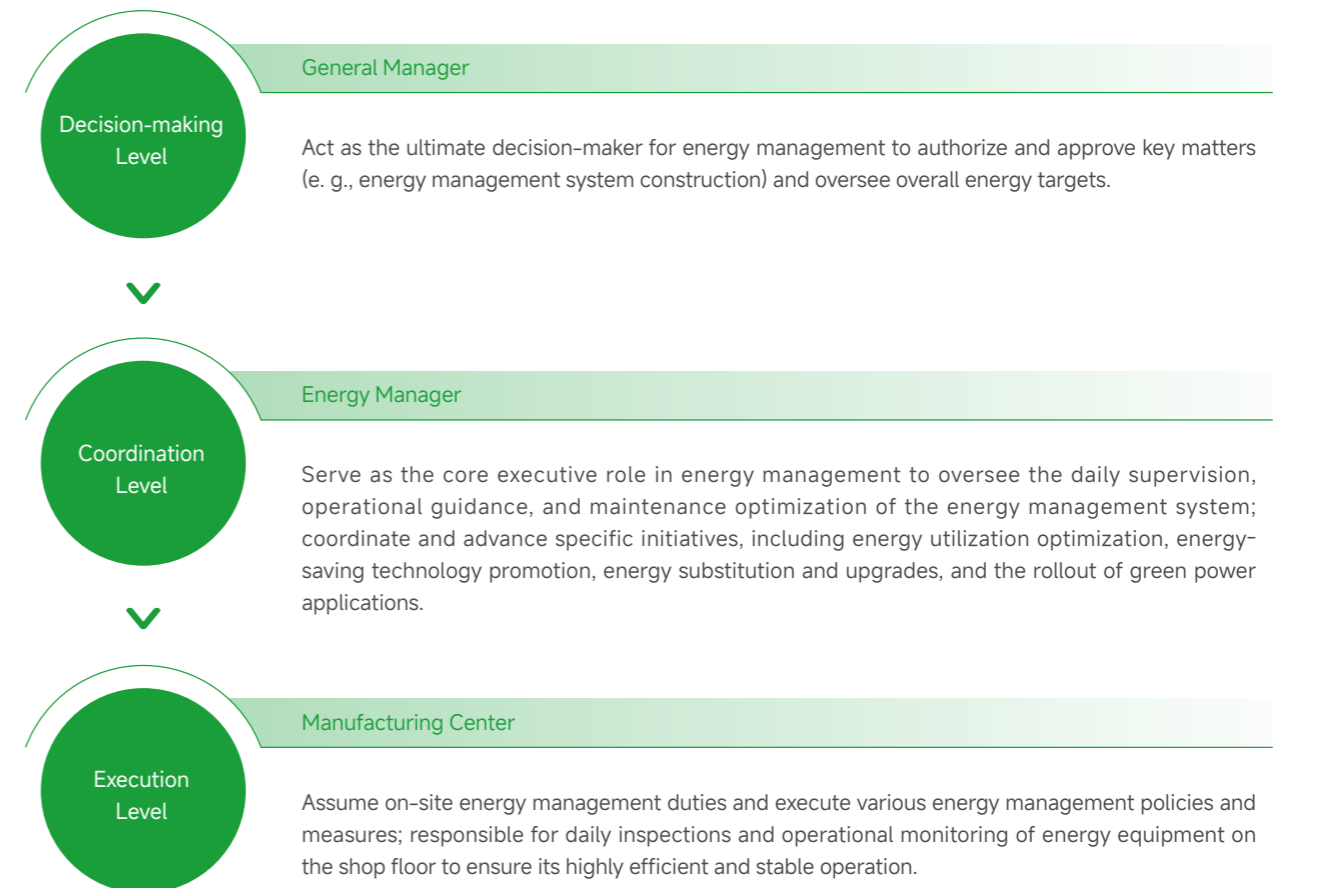
Guided by the principles of "efficient utilization, circularity and low-carbon emission reduction," SACA integrates resource management into all facets of production operations, strategic planning, and corporate governance. In addition to an energy management system and a full-process pollutant control mechanism, it continues to bring down resource consumption intensity and standardize the disposal of various pollutants, improving both resource utilization efficiency and ecological protection. This provides a robust foundation for building a green manufacturing system and realizing high-quality development.

Efficient Energy Management

Energy management is key to sustainable development. Aimed at "efficient energy use and green transition," the Company gradually improves its energy structure and utilization efficiency by establishing a specialized management system, defining phased development targets, and executing critical energy-saving projects.

While formulating a suite of energy management policies, the Company has constructed a three-tier energy management system encompassing decision-making, coordination, and execution. By delineating the boundaries of responsibilities at each level, it has forged a management paradigm marked by clear authority and synergistic cooperation. This ensures the systematic, standardized, and highly efficient advancement of energy management initiatives, and supports the fulfillment of its energy targets.

> Energy Management Organizational Structure



Guided by its green development strategy, the Company has articulated clear energy management goals and medium-to-long-term plans, steadily propelling the low-carbon transition of its energy structure.

> Energy Consumption Summary

Indicator	2025 Value
Total purchased electricity (MWh)	5,052.98
Self-consumed PV power generation (MWh)	903.03
Gasoline consumption (tonnes)	14.96
Diesel consumption (tonnes)	266.15
Total energy consumption (tce, tonnes of coal equivalent)	1,141.81
Energy consumption intensity (tce / RMB millions of revenue)	0.76

Through PV system construction and the procurement of green power and Green Electricity Certificates (GECs), the Company drives the low-carbon transition of energy consumption during production, thereby cementing a solid foundation for green manufacturing.

Indicator	2025 Value
Green Electricity Certificates (GECs) purchased	527
Total green power purchased (MWh)	527

Focusing on pain points of energy waste across operational links, the Company systematically deploys diversified energy-saving retrofits. It curbs energy consumption via measures like optimizing punch-press equipment, upgrading lighting systems, and retrofitting air compressors. Notably, the retrofit of the air compressor system stands as a priority project, with remarkable outcomes in energy-saving upgrade and energy efficiency management optimization.

Case Energy-Saving Retrofit to Air Compressor System

In 2025, the Company started energy-saving retrofit to its air compressor system for optimized energy efficiency management. As the original system failed to meet operational demands, the Company phased out two high-energy-consuming fixed-speed air compressors. In their place, two energy-efficient variable-frequency air compressors equipped with smart control systems were introduced. These dynamically adjust motor speeds to deliver an "on-demand air supply," dramatically boosting system efficiency.

After the retrofit, the number of active air compressors dropped significantly. Under the premise that maximum air output remained essentially unchanged and perfectly met production demands, the system's operating power decreased by roughly 7%, unlocking an overall energy saving rate of approximately 24.8%. This is a win-win scenario for both economic and environmental benefits.



Air Compressor System

Safeguarding Clean Emissions

SACA adheres to the principles of "reduction, reuse, and harmless disposal" in waste and pollutant treatment. The Company has established a robust full-process control system for solid waste, effluent, and exhaust gases. It explicitly outlines the generation sources, treatment standards, abatement measures, and responsible parties for each pollutant type, ensuring their compliant disposal. This minimizes ecological impacts to the greatest extent and faithfully fulfills the Company's corporate environmental responsibilities.

Annually, the Company engages qualified third parties to test its effluent, exhaust gas, and noise emissions. During the reporting period, all test results strictly met relevant national standards, with all emission categories fully compliant. Furthermore, the Company does not operate its production activities or sites in ecologically sensitive zones. This proactive spatial layout circumvents any potential impacts on ecologically fragile areas.

Solid Waste Management

Solid waste control is a focal point of the Company's environmental management. Tailored to the characteristics of different solid waste types, the Company executes a management strategy rooted in classified control and targeted policymaking. This forges a full-chain control system bridging "Source, Process, and End-of-pipe," guaranteeing compliant disposal procedures and effective abatement measures.

> Solid Waste Treatment Measures

Solid Waste Category	Treatment Measures
Hazardous Waste	<ul style="list-style-type: none"> Primarily waste cutting fluids, waste cutting fluid/emulsion mixtures (sludge), waste paint buckets, waste oil-contaminated buckets, and waste motor oil generated during production; Dedicated storage facilities equipped with clear hazard warning signs have been built in strict adherence to hazardous waste management regulations. The Company delegates the transit and harmless disposal to certified third-party specialized agencies, tracking transit and disposal records end-to-end to ensure full compliance and controllability.
General Industrial Solid Waste	<ul style="list-style-type: none"> Primarily waste materials generated during the manufacturing process; These are managed via categorized collection and centralized storage, and similarly delegated to qualified third parties for transfer and treatment. Portions of recyclable waste are reclaimed through compliant channels to boost resource circulation.

> Solid Waste Abatement Measures

Source Reduction	<ul style="list-style-type: none"> Adopt lightweight, recyclable product and packaging designs to curtail the consumption of production raw materials; Optimize production process parameters to elevate raw material utilization and minimize manufacturing waste generation; Deploy clean production technologies to replace toxic and hazardous raw materials, thereby eradicating the generation of hazardous waste at the source.
Process Control	<ul style="list-style-type: none"> Establish a comprehensive, categorized collection system where industrial solid waste is stored separately by type. Hazardous waste is strictly isolated by category and clearly labeled with dedicated warning signs; Standardize operating procedures and transport management to prevent solid waste surges caused by material leaks, drips, and spills, effectively averting secondary pollution during transit.
Resource Utilization	<ul style="list-style-type: none"> Recovered metal scrap is repurposed for producing building and roadbed materials, or subjected to remelting; Recyclable hazardous wastes (e.g., waste solvents, waste oils, and spent catalysts) are collected, purified, and regenerated by specialized agencies before being re-injected into the production system for circular use; Recyclables (e.g., paper, plastic, and metal) are categorized and transferred to professional agencies for reprocessing. Kitchen waste is composted or undergoes anaerobic fermentation to generate biogas, fully realizing resource circularity.

Categorized Management	<ul style="list-style-type: none"> Domestic waste is subject to mandatory sorting. Categorized waste bins are deployed across office, production, and living areas to guide employees in compliant disposal; Hazardous waste is stored strictly according to the national hazardous waste directory. Storage zones for different categories are distinctly demarcated to avert mixed storage, which could otherwise multiply the waste types or exacerbate hazards, thus facilitating streamlined subsequent disposal.
Management Enhancement	<ul style="list-style-type: none"> Both electronic and paper ledgers covering the end-to-end lifecycle of solid waste (generation, transfer, and disposal) have been established, which comprehensively log key data (generation volumes, transfer destinations, disposal methods, and receiving entities) to enforce total-quantity control targets and guarantee full traceability and verifiability.

Effluent Management

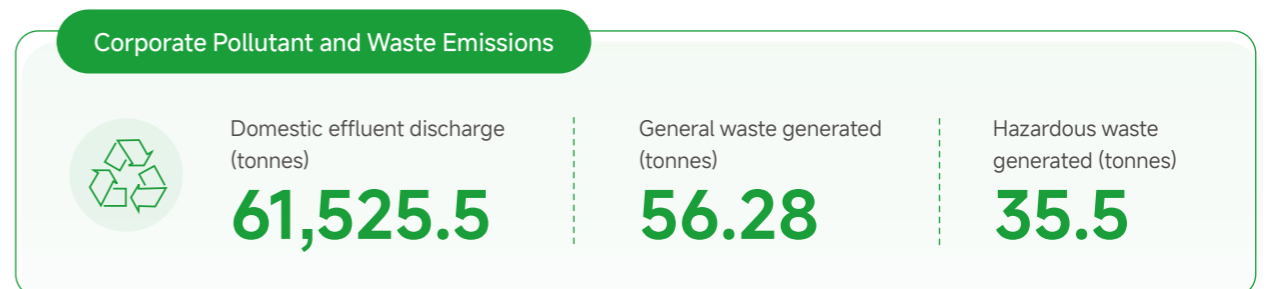
The Company's production process generates zero industrial effluent. The primary sources of domestic sewage are restrooms in office buildings and workshops, cafeteria kitchens, and employee dormitories. Such simple effluent with low pollutant concentrations is discharged into the municipal sewage network after tertiary sedimentation treatment.

Air Emissions Management

No complex industrial exhaust gas is generated, and only a minimal amount of cooking fumes is produced in the cafeteria. After purification with electrostatic fume purifiers in the kitchen, the fumes are discharged in a controlled manner, effectively mitigating their impact on the surrounding environment.

Noise Control

Each year, the Company commissions qualified professional third-party agencies to conduct comprehensive noise monitoring across production floors, office areas, and other workplaces. This ensures we accurately map noise distribution and identify any points exceeding regulatory limits. For production equipment generating high noise levels, we implement targeted mitigation measures, such as installing protective covers and shock-absorbing pads, optimizing equipment layout, and erecting sound barriers; for positions where noise levels exceed standards, the Company uniformly equips employees with compliant PPE, such as earplugs. We have established a daily inspection mechanism to remind and educate employees who fail to wear protective gear as required, ensuring that protection is strictly enforced to safeguard employee occupational health and the tranquility of the surrounding environment.

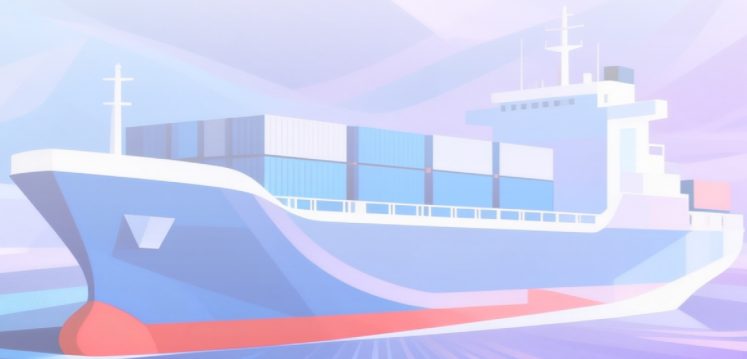


03

Innovation-Driven Growth Fortifying Core Values

- Strengthening Innovation Capabilities
- Translating R&D Excellence
- Protecting Intellectual Property Rights (IPR)

Contribution to the UN Sustainable
Development Goals (SDGs)



Strengthening Innovation Capabilities

SACA has consistently embedded innovation throughout its entire corporate development process. Guided by the principle of "consolidating innovation capabilities as the cornerstone, forging R&D achievements as the core, and protecting intellectual property as the safeguard," we have built a comprehensive innovation ecosystem covering system development, technological breakthroughs, and IP protection. Through continuous technological iteration and successful commercialization of results, the Company has established itself as a benchmark for innovation in the home hardware industry.

Centered on building digital capabilities, the Company has established a well-structured R&D and innovation management system with clearly defined roles and responsibilities. Our R&D Directors, R&D Engineers, Researchers, and R&D Project Managers operate under a "multi-level division of labor and full-process collaboration" management model. This enables full-lifecycle control of R&D projects from initiation and planning to execution, acceptance, and post-evaluation, ensuring a highly standardized innovation process.

During the reporting period, the Company and its subsidiaries earned numerous authoritative qualifications and honors for our solid innovation practices. Additionally, Qingyuan SACA obtained the GB/T 29490-2013 Intellectual Property Management System certification.



Qingyuan SACA Intellectual Property Management System Certification

> Scientific and Technological Innovation Honors & Qualifications (Selected)

SACA

High-tech Enterprise

Guangdong Province Specialized and Sophisticated SMEs that Produce Novel and Unique Products

National Patent-Intensive Product Certification

Guangdong Famous Hi-Tech Product

Patent-Intensive Product Certification

Shunde High-Tech Product Certification

Foshan Standard Product Certification

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Qingyuan SACA

High-tech Enterprise

2025 Innovative SME

Guangdong Province Specialized and Sophisticated SMEs that Produce Novel and Unique Products

National Patent-Intensive Product Certification

Guangdong Famous Hi-Tech Product

Qingyuan City College Graduate Employment Internship Base

SACA Innovation

2025 Sci-Tech SME

2025 Innovative SME

Guangdong Famous Hi-Tech Product

Shunde High-Tech Product

Regarding our digital transformation strategy and actions, the Company has mapped out clear, forward-looking goals and plans. We intend to increase our expenditure on upgrading automated and intelligent equipment, reducing raw material waste by improving production precision. Simultaneously, we are planning the construction of a new smart factory designed for a scale of RMB 10 billion, optimizing resource utilization from the hardware foundation upward to provide a solid platform for the industrialization of our innovative achievements.

During the reporting period, the Company boasted an R&D team of 193 employees, accounting for 13.18 % of the total workforce. R&D expenditure reached RMB 39.3567 million, representing 2.63 % of our operating revenue, ensuring ample human and financial resources for technological research and development. Furthermore, to stimulate the innovative enthusiasm of our R&D team, the Company has established a dedicated patent reward mechanism. Bonuses are issued directly to the inventors and designers of authorized patents, creating a virtuous cycle of "motivated R&D resulting in rewarding outcomes."

Translating R&D Excellence

Relying on a robust innovation system and sustained resource allocation, SACA has achieved significant results in the R&D field. Over the years, the Company has led and participated in the formulation and revision of multiple industry, group, and local standards, guiding the industry's standardized development through technological authority.

> Participation in Standard Formulation

Industry Standards

- QB/T 2189-2013 Hardware for Furniture-Cup Hinges
- QB/T 2454-2013 Hardware for Furniture-Guide Rails

Group Standards

- T/CNHA 1031-2020 Home Hardware for Full Decoration and Similar Uses - Drawer Runners
- T/FSS 43-2022 Foshan Standard: Home Hardware - Drawer Runners
- T/FSS 44-2022 Foshan Standard: Home Hardware - Concealed Hinges
- T/FSS 94-2023 Foshan Standard: Household Stainless Steel Sinks
- T/FSS M001-2024 Implementation Guidelines for Lean Six Sigma Management
- T/SDHW 0004-2019 Smart Purifying and Cleaning Stainless Steel Sinks

In terms of intellectual property reserves, the Company has developed a large-scale, high-quality portfolio of patents and software copyrights, erecting a solid technological protection barrier.

> Intellectual Property Performance

Indicator	2025 Value
Accumulated effective authorized patents	483
Invention patents	98
Utility model patents	274
Design patents	111
Newly authorized patents in the year	39
Invention patents	11
Utility model patents	19
Design patents	9
Total Industry Standards Led/Co-drafted	2
Total group standards led/co-drafted	1,432
New group standards led/co-drafted in the year	49
Total R&D projects participated	29
New R&D projects in the year	22

In terms of core product innovation, the Company is deeply user-oriented, launching multiple patented products that combine safety, practicality, and aesthetic value.

Inter-locking Self-closing Ball Bearing Slide



- ▶ Addressing core safety concerns, we have innovatively adopted a multi-layer interlocking structure located at the head of the slide for easy installation. This mechanism ensures that only one drawer can be opened at a time, effectively preventing cabinet tip-overs. It is an ideal safety feature for children's furniture;
- ▶ The tail of the slide features a damping cylinder mechanism. Combined with silent technology and a low-tension dual-spring design, it enables smooth, noise-free, and slow drawer closing. This eliminates pinch risks and fully reflects our commitment to user safety.



Synchronized Push-to-Open Mechanism



- ▶ To resolve common installation and usage challenges, we developed an adjustable door gap feature. This significantly reduces installation precision requirements and ensures uniform gaps between drawer panels, perfectly balancing the push-to-open function with a seamless, minimalist aesthetic;
- ▶ A specialized synchronization bar design solves the issue of incomplete unlocking when pressing one side of ultra-wide drawers. Pressing anywhere on the panel simultaneously unlocks the slides on both sides. This prevents drawer twisting and slide deformation, delivering a stable, smooth, and premium user experience.

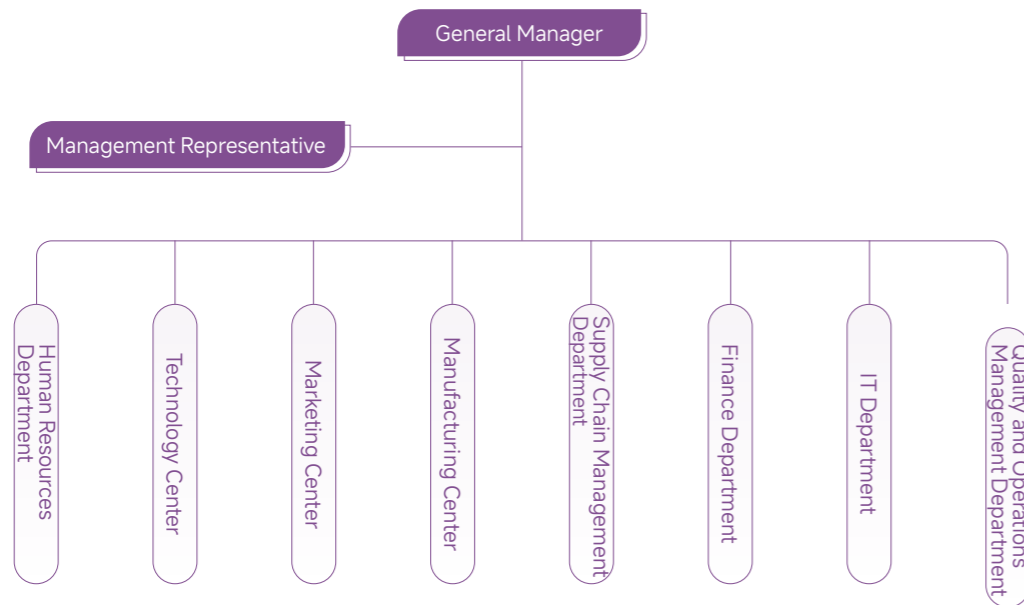


Protecting Intellectual Property Rights (IPR)

The Company highly values intellectual property (IP) protection. We have built a comprehensive, full-chain protection system featuring robust policies, clear responsibilities, effective measures, and continuous capacity building to safeguard our innovative achievements. We have formulated a series of management policies, including the *Knowledge Management Control Procedures and Patent Management Measures*. Our IP management framework is centralized under the Human Resources Department, coordinated by the General Manager, and supported by all organizational centers to ensure systematic and standardized management. During the reporting period, the Company allocated RMB 408,600 to intellectual property.

In recent years, our standardized management practices have earned us multiple honors, including the title of Guangdong Intellectual Property Demonstration Enterprise.

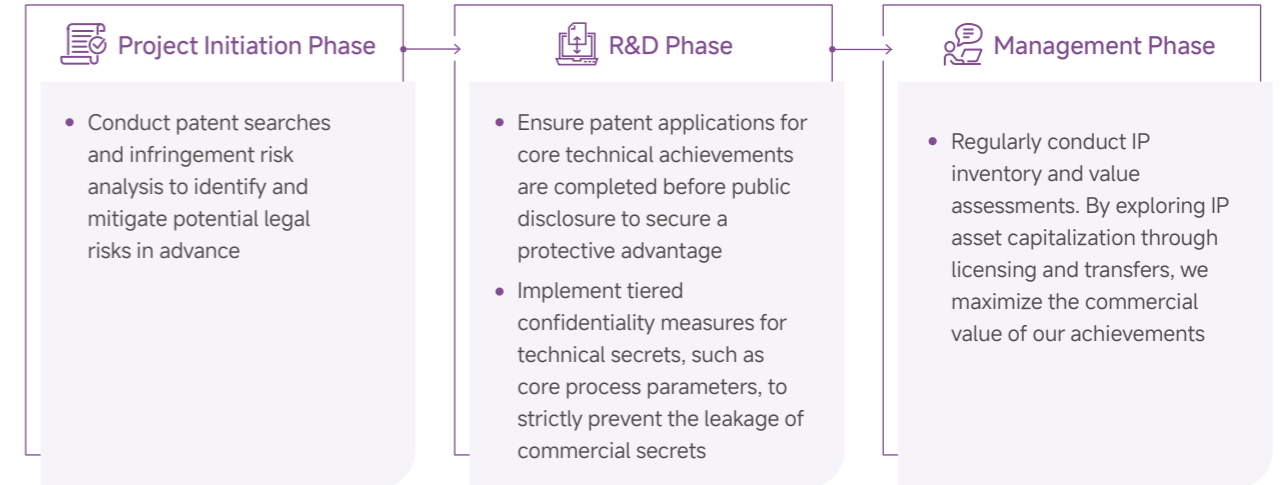
> Intellectual Property Management Framework



> Scientific and Technological Innovation Honors and Qualifications



We embed comprehensive intellectual property management into every stage of our R&D lifecycle through a standardized, end-to-end workflow. By proactively conducting early patent searches, rapidly securing rights for core technologies, and performing regular IP audits, we successfully transform our technological achievements into valuable commercial assets.



IP Training Performance



IP training sessions

10

Total training hours

15

IP training attendances

218

Case IP Pledge Financing Training

In October 2025, the Company organized a training session on IP pledge financing. The training covered IP value assessment, pledge financing processes, and policy support interpretations. It helped participants master key methods for IP asset capitalization and understand how to broaden corporate financing channels through IP pledge financing. This initiative further shifts our IP strategy from mere "protection" to "value addition," maximizing the commercial value of our innovations.



IP Pledge Financing Training

04

People-Centric Development Upholding the Safety Bottom Line

- Fostering Employee Growth
- Fortifying Safety Foundation

Contribution to the UN Sustainable
Development Goals (SDGs)



Fostering Employee Growth

We adhere to a talent-driven growth strategy. We protect fundamental employee rights, improve our talent recruitment and training systems, refine compensation and performance incentives, and maintain open channels for democratic communication. By strengthening employee care and support, we create a diverse, inclusive, and safe working environment to attract and retain top talent.

Governance

The Company strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and the *Provisions on the Prohibition of Using Child Labor*. We respect and protect the legitimate rights of our employees and maintain a zero-tolerance policy regarding child labor, illegal labor, and forced labor. Through rigorous identity verification procedures, we strictly prevent employment risks. We firmly oppose any discrimination, harassment, or threats based on gender, region, age, race, or religion, ensuring all employees enjoy equal pay for equal work and equitable development opportunities.



We have established a robust human resources management system covering recruitment, compensation and benefits, performance, promotion, training, and communication. We extend these compliance requirements to our partners through the *Prohibition of Child Labor by Sub-tier Suppliers and Remedial Measures*. We regularly review and revise our policies to enhance the standardization and execution efficiency of our HR management.



We utilize a human capital governance framework coordinated by the Group and supported by our business units. The Group's Human Resources Department oversees overall management, while the Precision Hardware and Cross-border E-commerce business units maintain their own HR departments. These units formulate differentiated policies based on their specific sector characteristics, ensuring our talent governance perfectly matches our operational needs.

Strategy

Combining domestic and international employment policies with industry best practices, the Company proactively identifies human resources risks and opportunities along with their potential financial impacts, actively formulating corresponding response strategies to ensure long-term organizational resilience.



Risk Identification and Responses				
Risk Type	Risk Description	Timeframe	Financial Impact	Response Measures
 Policy & compliance risks (labor standards)	As domestic and international labor laws tighten and key supply chain anchors like IKEA strengthen their compliance oversight, our Precision Hardware and Cross-Border E-commerce divisions face stringent global scrutiny regarding forced labor, working hour management, and human rights protection	Medium to long term	Non-compliance could trigger consequences, including the termination of partnerships with anchor clients in the precision hardware sector, store closures and product delistings on overseas e-commerce platforms, plus fines and litigation costs	Establish an HR and human rights management system that is both locally compliant and globally leading; Strengthen the monitoring of working hours to ensure strict adherence to labor laws
 Market risks (Talent competition & retention)	Fierce competition for top-tier R&D and brand operations talent exists in both the precision hardware and cross-border e-commerce sectors. The loss of key personnel risks business disruption and the leakage of core technologies	Short term	Increased recruitment costs, delayed project timelines, and a diminished return on R&D expenditure	Optimize equity incentive plans and diversify compensation and benefits packages; Build tailored advancement pathways for high-potential talent; implement robust succession planning and training programs for critical roles

Opportunity Identification and Responses				
Type	Description	Timeframe	Financial Impact	Response Measures
 Reputational opportunity (employer branding)	Forge a "Responsible Employer" image through outstanding performance in labor protection and diversity & inclusion (D&I), attracting top global talent	Long term	Lower recruitment costs while boosting brand equity and trust among clients (particularly ESG-conscious overseas anchor enterprises and distributors)	Refine management systems for labor protection and D&I; Transparently disclose workforce diversity metrics in annual ESG reports
 Technological opportunity (HR digitalization)	Leverage Big Data and AI for workforce analytics, talent profiling, and smart scheduling to elevate overall organizational efficiency	Medium term	Optimize HR allocation, reduce overhead ratios, and maximize per capita output	Continuously allocate resources for upgrading digital management systems like Lark; Roll out smart scheduling software; Digitize and streamline onboarding, offboarding, and employee benefit experiences

Impact, Risk, and Opportunity Management

SACA has established a robust HR management and risk prevention framework. By leveraging differentiated talent attraction strategies, compliant and equitable employment practices, performance-driven compensation, clear advancement pathways, comprehensive training systems, diverse communication channels, and compassionate employee support, we are laying a rock-solid talent foundation for sustainable growth.

Talent Attraction

Recognizing the distinct needs of our two primary business engines, Precision Hardware and Cross-Border E-commerce, we have built a standardized, tiered, and segmented recruitment mechanism. Coordinated centrally by our HR department, this system clearly defines the workflow from workforce planning and approval to final onboarding.



> Recruitment Procedures

Campus Hiring



Precision Hardware: We engage youth talent through university job fairs and enterprise-academic partnerships, offering a Management Trainee (MT) program for current students and recent graduates (within two years). The program blends grassroots internships with a structured development cycle to combine centralized training with hands-on projects, culminating in final role placement and salary determination.

Cross-Border E-commerce: We roll out an annual MT intake program featuring highly customized development tracks tailored to specific e-commerce roles.

Social Hiring



Precision Hardware: We formulate monthly, tiered recruitment plans based on current headcount and turnover metrics. The hiring workflow, spanning initial interviews, compensation negotiation, approval sign-offs, and formal offers, is strictly managed for absolute transparency and compliance.

Cross-Border E-commerce: This division operates on an annual headcount pre-approval system, where hiring for core positions requires final sign-off from the CEO and Chairman, ensuring that top-tier talent acquisition aligns with our strategic vision.

Compliant & Inclusive Employment

We are dedicated to fostering a diverse and inclusive workplace. Beyond merely adhering to compliance baselines, we proactively recruit underrepresented groups, empowering them with equal career opportunities.

> Hiring Special Demographics

Poverty-alleviated & long-term unemployed

Answering the national call, we actively hire individuals transitioning out of poverty and those who have been unemployed for over six months. In 2025, our initiatives positively impacted 39 individuals, earning official government recognition for "Enterprise Employment of Priority Demographic Groups."

People with disabilities

We champion a barrier-free hiring culture, and our job postings explicitly welcome candidates with disabilities and provide accessible support in multiple formats (e. g., text and video). As of the end of the reporting period, we employ 17 staff members with disabilities, exceeding national statutory requirements.

Military veterans

We deeply value the specialized skills and disciplined ethos of our military veterans. We actively recruit outstanding former officers and enlisted personnel into our technical teams, facilitating a seamless transition from military to civilian careers.

Employee Compensation & Performance

Anchored by a "High Value, High Return" philosophy, our compensation and performance framework utilizes rigorous evaluations and comprehensive grievance channels. This guarantees a fair and transparent distribution of rewards, continuously driving both talent efficiency and organizational vitality.

> Compensation and Performance Management

Compensation management

- We operate a diversified remuneration structure matched to various job families. Packages consist of base salaries and variable pay (performance bonuses, commissions, and annual profit-sharing), tethered directly to divisional financial results and individual performance.

Performance management

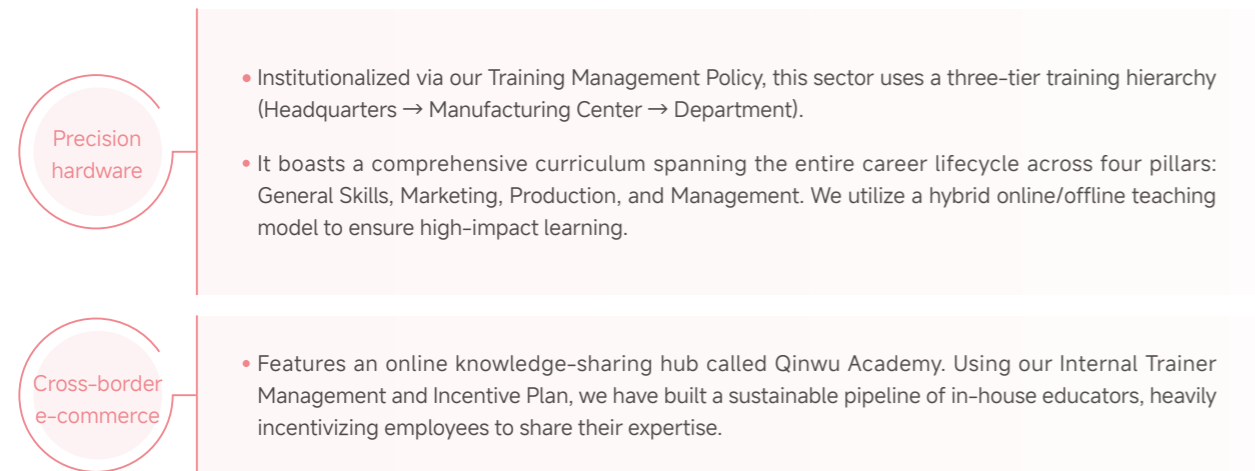
- Our strategy-driven performance system uses OKRs (Objectives and Key Results) as the primary engine for goal alignment and progress tracking. Assessment outcomes directly inform compensation, promotions, and career development.
- Standardized feedback and grievance channels are in place to protect employees' rights to stay informed and appeal decisions.

Employee Development & Training

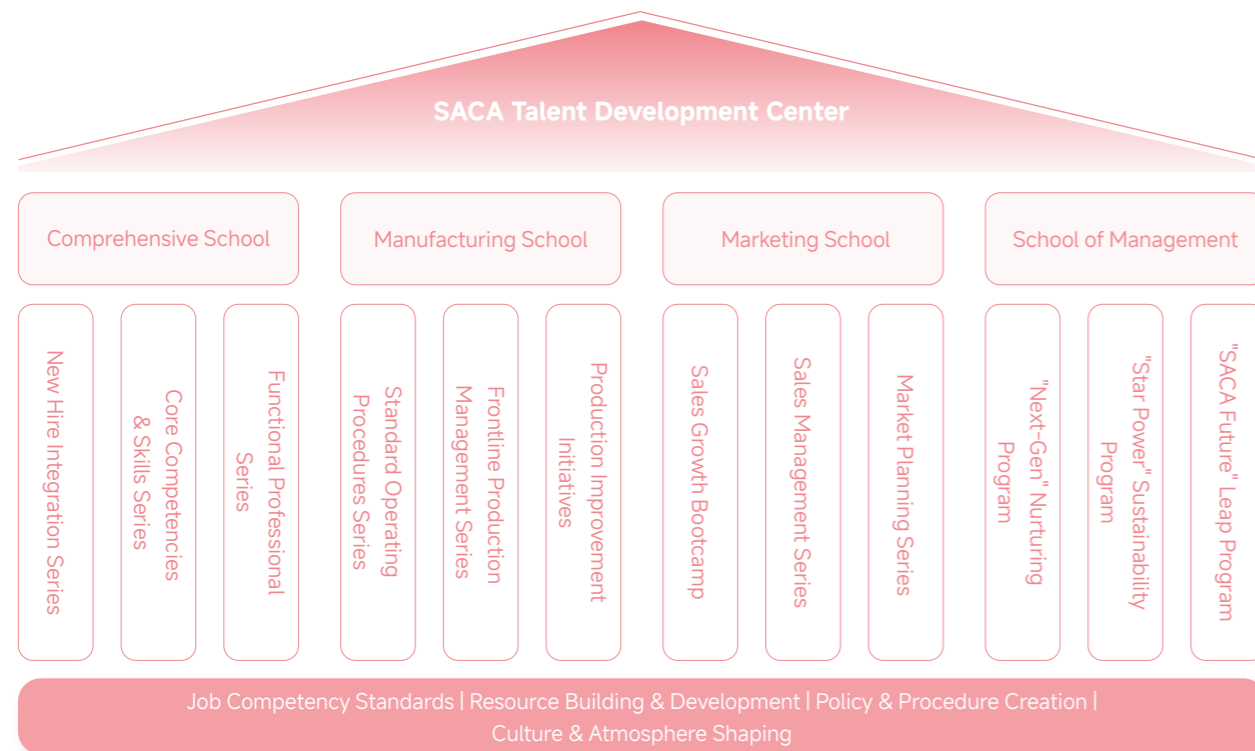
Aligned with our dual business engines of Precision Hardware and Cross-Border E-commerce, we have engineered a comprehensive, full-lifecycle talent development ecosystem. By establishing stratified promotion pathways and a systematic talent cultivation framework, we provide continuous momentum for both organizational evolution and individual career growth.

To ensure equitable advancement opportunities, we have deployed a Five-Track Parallel Promotion System, encompassing Management, Technical, Professional, Sales, and Operational pathways. Advancement is governed by a highly transparent evaluation mechanism that holistically assesses performance, technical proficiency, and core competencies. We guarantee fairness through a rigorous blend of psychometric testing, practical skills assessments, and multi-dimensional panel reviews.

> Career Development Management



> SACA Precision Hardware Talent Development Framework



Case The "Safety First" Lesson for New Hires

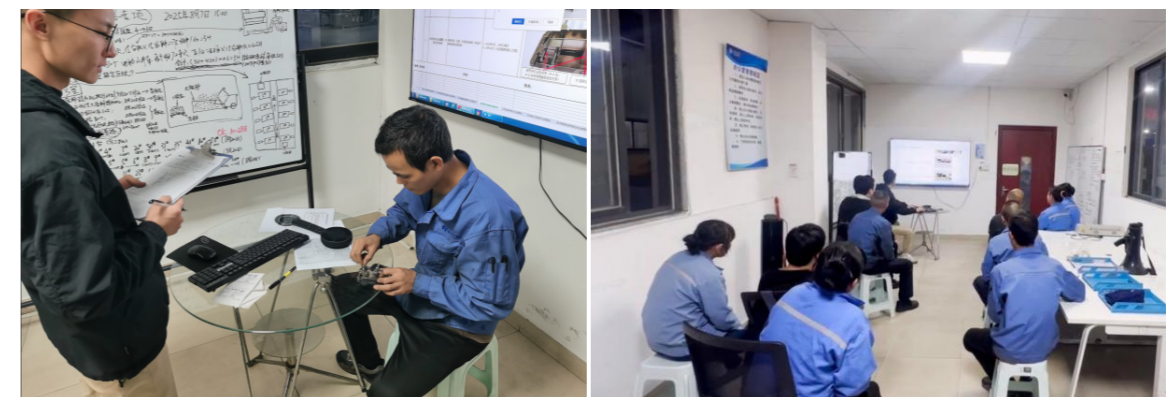
To ensure new team members integrate swiftly and safely, safety training forms the cornerstone of our onboarding process. During their very first week, all new hires are mandated to complete the "Safety First" module, which comprehensively covers factory safety protocols, fire safety, occupational risk identification, and emergency response procedures.



New Hire "Safety First" Training

Case Standard Operating Procedures (SOPs) Rotational Training in the Hinge Assembly Workshop

Driven by a commitment to operational efficiency and consistent product quality, we regularly review and update Standard Operating Procedures (SOPs) for critical roles. Recently, we launched a comprehensive SOP rotational training program for all staff in the hinge assembly workshop. Employing a closed-loop learning model of "Theoretical Instruction + On-Site Demonstration + Practical Assessment," we ensure every frontline worker masters the latest standards. This initiative achieved a 100% certified-to-work rate, robustly underpinning the manufacturing excellence of our Precision Hardware division.



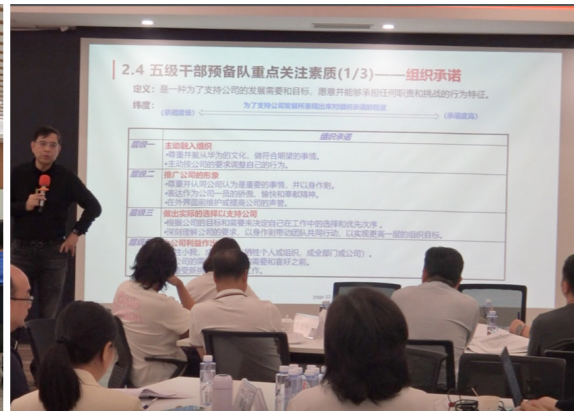
On-the-job Training in Hinge Assembly

Case Management Empowerment Plan

We have designed targeted empowerment pathways to address the specific capability gaps of our leaders across different echelons. Frontline Leaders: Our "Team Leader Bootcamp" focuses heavily on practical skills such as shop-floor management, team communication, and efficiency optimization. Mid-to-Senior Management: We rolled out the "3X Speed" Leadership Development Program. Centered on strategic thinking, change management, and business innovation, this program accelerates leadership maturation through executive coaching, industry benchmarking, and real-world project assignments to ultimately drive exponential organizational growth.



"3X Speed" Leadership Co-creation Workshop



External Instructor Management Training

Case AI Agent Certification Training

In 2025, we launched a specialized AI Agent training initiative for all employees, utilizing a dual-track model of "6 hours of offline practical application + 14 hours of online learning." This equips our team with core competencies in ERP automation and process design. Employees who pass the assessment earn official certification from "Intelligence Indeed", with top performers directly integrated into the company's internal automation development projects. This strategic move drastically enhances our workforce's digital fluency and operational efficiency, building a vital talent pool for our intelligent transformation.



AI Agent Learning & Training

Democratic Management & Communication

We place paramount importance on our employees' rights to stay informed, participate, and be heard. By refining democratic management protocols, opening diverse communication channels, and conducting comprehensive satisfaction surveys, we actively encourage staff to express their interests rationally and lawfully to foster a harmonious and transparent workplace.

> Democratic Communication Channels



Case Chairman's Anonymous Mailbox: Listening to the Frontline

Designed to ensure immediate executive visibility, this channel allows for anonymous feedback on any workplace matter. Overseen directly by the Chairman's Office, it guarantees that every raised issue receives effective resolution and transparent follow-up.



Chairman's Anonymous Mailbox

We view employee feedback as a critical barometer for assessing HR efficacy and optimizing our workplace. In 2025, our segmented anonymous satisfaction surveys yielded strong results (Precision Hardware: 85.41%; Cross-Border E-commerce: 8.1/10). Acting directly on this feedback, we launched a targeted cafeteria quality improvement campaign, initiated union-led stress relief programs, and further refined promotion standards and empowerment plans for platform operations roles.

Employee Care & Support

Prioritizing physical and mental well-being, we have built a comprehensive welfare system tailored to the realities of the manufacturing sector. Through foundational security, dormitory outreach, robust leave policies, holiday celebrations, and vibrant cultural activities, we cultivate an inclusive environment that safeguards rights while elevating employee belonging and satisfaction.

> Foundational Care

Basic security

Full provision of "Five Insurances and One Fund" (social security and housing provident fund), alongside employee dormitories and free meals for production staff.

Dormitory outreach

Management regularly visits dormitories to distribute essential living supplies, check on physical and mental well-being, distribute mental health questionnaires, and alleviate stress.

Paid leave

Full entitlement to statutory holidays, annual leave, maternity leave, and bereavement leave.

Holiday care

Distribution of festive gifts (e. g., sweet dumplings, Zongzi, mooncakes, Women's Day gifts) accompanied by festive events.

Cultural & sports activities

Weekly badminton and tennis matches across divisions, plus annual sports meets at headquarters and regional plants to enrich personal time.



Dragon Boat Festival Zongzi Distribution



Winter Solstice Celebration



Outdoor Team Building



Employee Skills Competition



Summer Heat Relief



Employee Sports Meeting

Valuing diversity, we take concrete action to deepen gender equality and support vulnerable groups.

> Targeted Demographic Care

Female employees

- We actively encourage the utilization of state-mandated paid maternity and parental leave. For Women's Day 2025, we distributed care packages to all female staff to elevate their sense of belonging through tangible appreciation.

Low-income employees

- We precisely identify and assist financially disadvantaged employees from underdeveloped regions to aid them in securing government subsidies.

Case Empowering Women, Building a Warm Workplace

On March 8, 2025, our Qingyuan Manufacturing Center hosted the "Starlight Afternoon Tea" tasting event, treating female employees to gourmet pastries and bespoke toiletry gift sets. Across the company, we distributed festive gifts and organized engaging activities. Through both material care and moral support, we paid the highest tribute to the women shining in our R&D, operations, production, and management teams.



Going beyond standard benefits, our specialized funds serve as a resilient organizational safety net for emergencies and major life milestones.

Hardship Support Fund

Governed by the union's *Assistance Fund Management Measures*, this provides timely financial and emotional support to employees and their families facing sudden critical illnesses, accidents, natural disasters, or other severe hardships.



Financial Assistance & Support

Employee Homeownership Fund

To help our people lay down roots, we established an RMB 5 million specialized fund to assist with local housing purchases.

Case Interest-Free Loans for the "Homeownership Plan"

SACA allocated RMB 5 million as a special fund to provide interest-free loans for active employees purchasing their first commercial property. Eligible staff can apply for up to 30% of the property's total purchase price, capped at RMB 150,000 per person. Managed as an exclusive, revolving fund, this continuously empowers our workforce to achieve their homeownership dreams where they work.

Metrics and Targets

Guided by our "People-First, Co-Created Value" philosophy, we maintain a systematic HR performance monitoring framework. By dynamically tracking workforce demographics, turnover, training coverage, and welfare metrics, we relentlessly optimize organizational talent efficiency.

> Workforce Profile



Total number of employees **1,464**



Workforce Turnover



Turnover rate
9.31%



Workforce Training Performance



Expenditure on employee training (RMB)
27,000

Total training sessions
192

Total training hours
155.55

Total training attendances
6,257

Average training hours per employee
2.62

Foundational Security & Care



Labor contract signing rate
100%

Social insurance coverage rate
100%

Financially disadvantaged employees assisted
20

Assisted employees per RMB millions
0.01

Fortifying Safety Foundation

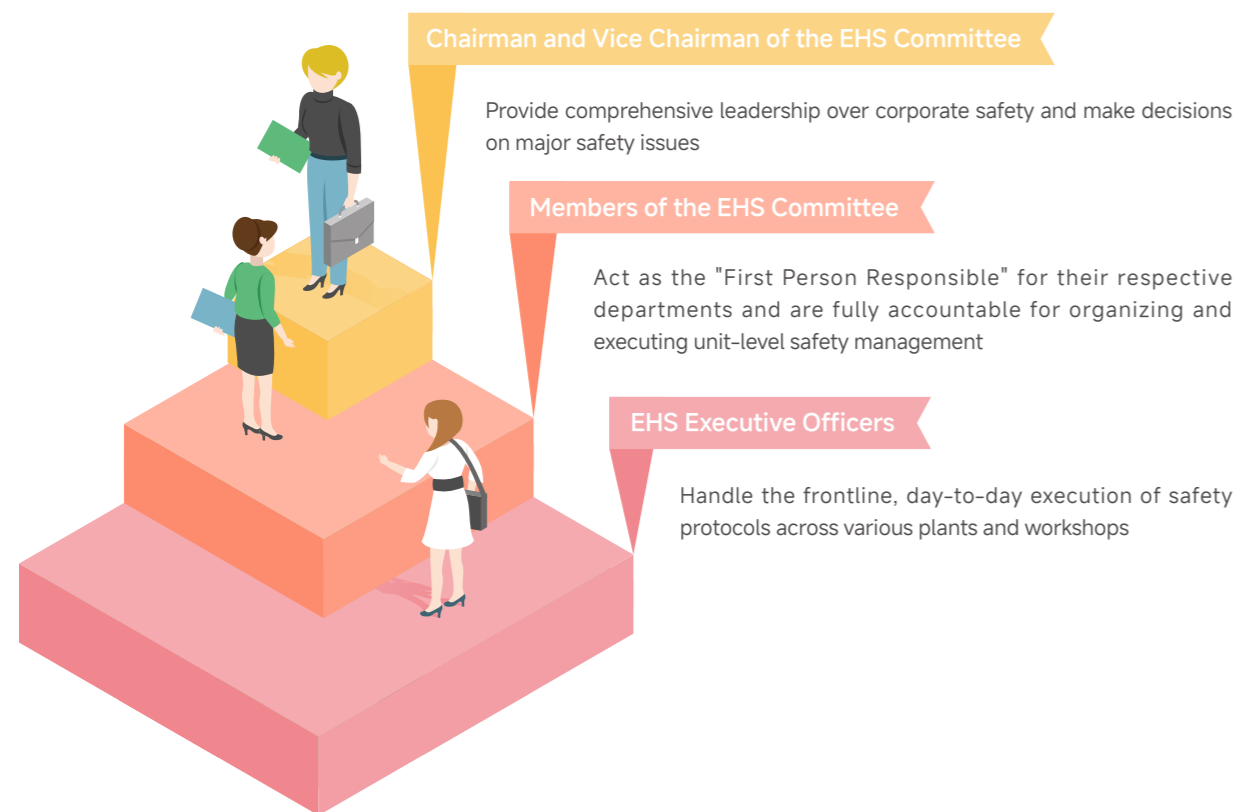
Navigating the complexities of precision hardware manufacturing and cross-regional operations, SACA continuously fortifies its Production Safety and Occupational Health management system. By perfecting our institutional architecture, tightening risk controls, and deploying robust health safeguards, we systematically protect the lives and well-being of our workforce.

Production Safety Management System

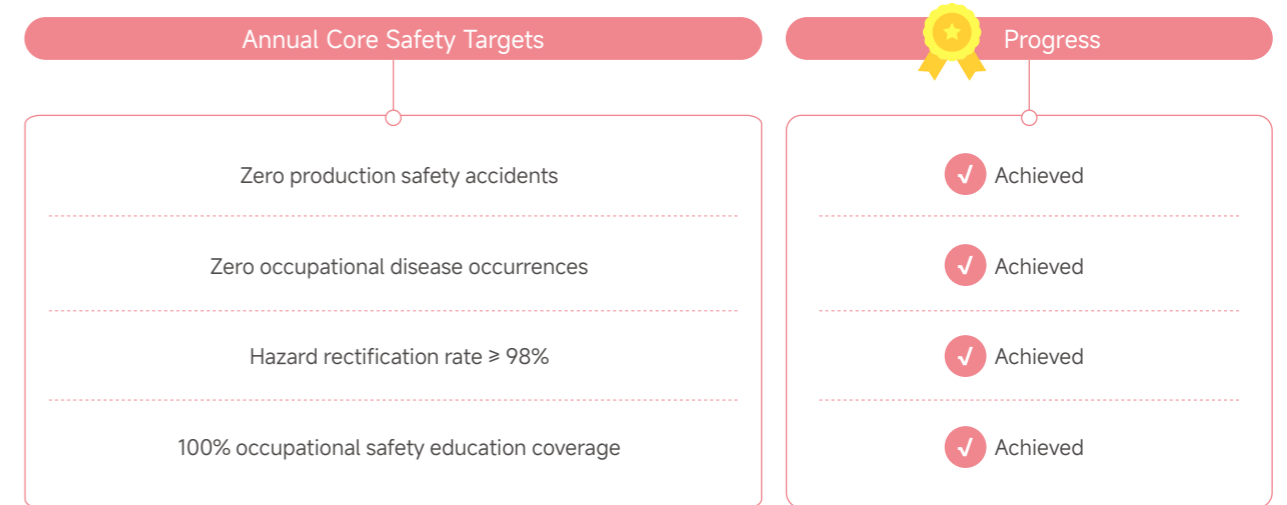
In strict compliance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and Provisions on the Administration of Occupational Health at Workplaces, we rely on institutional building to drive safety standardization. We have instituted a suite of policies, including the Safety System Management Measures and Work-Related Injury Management System, forging a standardized mechanism that regulates behavior through policy and controls risk through process.

Operating under the mandate that "managing business and production means managing safety," we deploy a three-tier occupational health and safety architecture covering Leadership, Management, and Execution. By signing cascading safety responsibility letters, we anchor accountability at every level, ensuring our safety net covers the organization from edge to core.

> Production Safety Organizational Architecture



We set overarching and annual safety targets and track them relentlessly. In 2025, we successfully achieved all core objectives across incident rates, hazard rectification, and education coverage.



Production Safety Risk Control

Driven by a "Prevention First, Proactive Risk Management" ethos, we conduct rigorous hazard identification and implement a graded risk control mechanism. Through comprehensive evaluations, we maintain a *Master Safety Risk Register* and a *Four-Color Safety Risk Map*. Color-coded Workstation Safety Risk Notification Cards are posted at respective workstations to clearly detail hazard types, potential incidents, control measures, and emergency protocols. In high-risk zones, we mitigate dangers through specialized inspections, equipment upgrades, and technological transformations.



Four-Color Safety Risk Map



Workstation Safety Risk Notification Card



Guided by our *Hazard Identification and Evaluation Matrix*, we systematically catalog physical (electromagnetic), chemical (flammables), biological (pathogenic microorganisms), psychological, and behavioral (monitoring failures) risks. These are indexed by status and severity to inform governance priorities.

Backed by regular site safety inspections and the updated *2025 Production Safety Emergency Response Plan*, we run active drills covering electrocution, falls, impacts, fire, mechanical injuries, and natural disasters like earthquakes and floods.

> Safety Management Performance

Indicator	2025 Value
Safety hazard rectification rate (%)	99.5
Number of safety emergency drills	5
Expenditure on work safety (RMB)	603,000
Major production safety accidents	0
Major work-related injuries	0
Work-related fatalities	0
Workdays lost to major injuries	0

Safeguarding Occupational Health

SACA places immense importance on safeguarding employee occupational health, adhering strictly to the principle of "Prevention First, Integrating Prevention with Control." We conduct regular occupational health risk identification and assessments, culminating in the *Occupational Disease Hazard Factor Detection Report*. We enact targeted prevention and control measures specifically against hazards like radiation, noise, and dust. By optimizing the production environment and upgrading protective facilities, we strive to eliminate occupational hazards at their source. Prominent safety warning signs are posted across all production sites to remind employees of operational risks and protective requirements. We provide free personal protective equipment (PPE, including earplugs, gloves, safety goggles, safety shoes, and hard hats) and actively monitor their proper usage.

We strictly enforce the "Three-Stage" occupational health examination requirement (pre-employment, on-the-job, and off-boarding). We organize annual employee health checkups and maintain robust "Dual Files" (Occupational Health Files and Occupational Health Monitoring Files) to ensure complete traceability of health data.

We keep strengthening production safety training and capacity building. In 2025, we organized comprehensive work safety management training for team leaders. The curriculum covered safety management responsibilities, safety laws and regulations, execution of the three-tier safety training for new hires, safety inspection standards, occupational disease prevention, PPE management, and the identification of "Three Violations" on the shop floor. Simultaneously, we launched targeted operational skills training for forklift operators. This covered daily inspections, personal protection, equipment hazard identification, operational standards, and emergency response procedures, thereby genuinely enhancing employees' safety awareness and standardized operational proficiency. All relevant training materials are securely archived in our corporate records.

Safety Education Performance



Total training attendances

4,328

Total training hours

326

Total training sessions

288



Case

Internal and External Empowerment: Building the Cornerstone of Client Compliance: The Workshop Production Safety Training System

Recognizing the strict compliance requirements of our core clients, our workshops have established a specialized safety training system characterized by expert instructors, universal coverage, and closed-loop management. We employ a merit-based instructor selection mechanism featuring experts in Equipment Safety (Equipment Department Manager), Lean Management (Factory Manager), and EHS (EHS Engineer); by executing a monthly *Training Plan* and utilizing a *Training Effectiveness Evaluation Form*, we dynamically track and verify the impact of our training. Through a combination of theoretical assessments and on-site observations, we ensure employees accurately comprehend and internalize core safety concepts, laying a solid foundation for total safety production.



On-site Workshop Safety Training

Case

Building Deep Defense in Production Safety: Targeted Tiered Training at the Qingyuan Factory

The Qingyuan Factory systematically conducted specialized training on team leader safety management and forklift operations to comprehensively reinforce safety standards and risk control capabilities from the management level down to frontline execution.

Work Safety Management Training for Team Leaders

Focused on safety management responsibilities, safety laws and regulations, execution of the three-tier safety training for new hires, safety inspection standards, occupational disease prevention, PPE management, and the identification of "Three Violations" on the shop floor. This significantly improved team leaders' safety management capabilities, strengthened management standards, and ensured safe operations.

Forklift Skills Training

Targeted at forklift operators, this covered daily checks, PPE usage, equipment hazard spotting, standard operating procedures, and emergency response, effectively raising safety awareness and operational standards.



Qingyuan Factory Training

05

Corporate Citizenship Creating Shared Social Value

- Implementing Stringent Quality Standards
- Deepening Customer Service Excellence
- Implementing Responsible Procurement
- Committing to Social Contribution

Contribution to the UN Sustainable Development Goals (SDGs)



Implementing Stringent Quality Standards

SACA views product quality as the lifeblood of the enterprise. Through the construction of a robust quality management system, we continuously optimize quality control processes across the entire product lifecycle. We actively drive standardization and digital upgrades in quality management across all business divisions, dedicating ourselves to rewarding global customers with exceptional products.



Governance

Adhering to a business philosophy of "Quality First, Continuous Improvement," we strictly abide by the *Product Quality Law of the People's Republic of China* and other relevant laws and standards. We have formulated differentiated quality management systems tailored to the operational characteristics of our various business divisions. Based on the *Quality and Environmental Management Manual* and the *Process Flow Chart and Control Plan*, the Precision Hardware division controls the entire quality chain from raw material intake to finished product outbound logistics. The Cross-Border E-commerce division has established a finished goods inspection mechanism centered on the *RMA Improvement Management Specifications* to ensure exported products meet international market access requirements and user experience standards.

We have established a quality management architecture where the General Manager serves as the primary responsible person, with the Management Representative exercising comprehensive oversight. Under the Quality Management Department, four specialized modules (Testing Center, Quality Control Department, Supplier Quality Management, and System Management) collaborate with the technical, supply chain, manufacturing, marketing, and HR departments. This achieves a closed-loop quality control system spanning the entire lifecycle: from R&D design, supplier evaluation, and raw material inspection to production monitoring, finished product shipping, and after-sales feedback. During the reporting period, the ISO 9001 quality management system certifications for the company and its subsidiaries (SACA Innovation, Qingyuan SACA, and Guangdong SACA) remained valid, covering the design, production, and sale of guide rails, hinges, and hardware accessories.



Quality Management System Certification Certificates

Strategy

SACA actively identifies risks and opportunities related to product quality and proactively manages them to enhance brand reputation.

Risk Identification and Responses				
Risk Type	Risk Description	Timeframe	Financial Impact	Response Measures
Quality stability	Consistency risks arising from fluctuations in raw material (e.g., steel) quality, mold wear, or automated production line calibration errors; Increased RMA (Return Merchandise Authorization) rates due to product defects in cross-border e-commerce	Short term	Lead to higher scrap rates, increased rework costs, and delayed deliveries for major clients; Drive up return logistics costs and refund losses, damaging brand reputation	Strictly execute the <i>Process Flow Chart and Control Plan</i> ; implement full-lifecycle mold management; promote automated visual inspection systems for rigorous process control; enforce the RMA Improvement Management Specifications
Compliance & market access	Iteration of international quality standards (e.g., RoHS, REACH) and upgraded quality and environmental certification requirements from anchor clients/distributors for precision hardware and electronic products	Medium to long term	Failure to meet access standards will lead to lost orders from core clients, blocked exports, product delistings, and fines or litigation costs arising from compliance breaches	Establish a dynamic tracking mechanism for international standards; manage updates to mandatory and recommended standards in target markets across different product lines to ensure comprehensive certification coverage

Opportunity Identification and Responses				
Type	Description	Timeframe	Financial Impact	Response Measures
Supply chain synergy	Deeply empower supplier quality management systems to build a robust, high-standard global supply ecosystem through penetrative quality management	Short term	Reduce procurement losses caused by quality defects (e.g., scrap rates and secondary processing fees); improve capital turnover and overall supply chain resilience through the supply of high-quality materials	Strictly enforce supplier admission and quality inspection processes; conduct regular quality audits, technical coaching, and risk assessments to achieve mutual benefits across the industry chain
Quality premium	Earn the trust of international anchor enterprises and the high-end home furnishings market through exceptional stability and technological innovation, thereby increasing market share	Medium to long term	Steadily increase order share from highly sticky strategic clients; improve overall gross margins and market penetration through high-value-added, differentiated products	Strengthen the functions of the Precision Hardware Testing Center; upgrade process control levels; benchmark against top-tier international quality standards to carry out intelligent transformations of production lines

Impact, Risk, and Opportunity Management

SACA strictly controls product quality to the highest standards, striving to build a leading brand of high-quality home hardware and enhance the global competitiveness of our cross-border e-commerce products through full-lifecycle quality management, a leading automated manufacturing system, and a deeply rooted quality culture.

We have constructed a differentiated, full-lifecycle quality control framework that precisely empowers the nature of our business operations. Relying on the *Process Flow Chart and Control Plan*, the Precision Hardware division integrates quality supervision throughout the entire process, from material warehousing and audit acceptance to finished product shipping. We set process control points and dimensional chain controls at critical stages (molding, stamping, and assembly) and enforce full-standard control through first-article inspection, patrol inspection, and final inspection. The Cross-Border E-commerce division has defined a closed-loop process of "Sample Testing & Verification → Bulk Golden Sample Confirmation → Outgoing Quality Control (OQC) → RMA Improvement & ECN Change Control" to guarantee the controllable quality of sold products.

We drive quality control improvements through automated and intelligent manufacturing upgrades. An automated precision manufacturing system is in place, covering everything from processing to testing. A combination of advanced equipment like imported fully automatic roll forming systems, industrial robot workstations, and 2D/3D precision measurement tools, along with the localized transformation and optimization of advanced international processes, significantly elevates the automation level of critical processes like stamping, assembly, and packaging. This reduces manual intervention, precisely controls assembly dimensional chain errors, and lowers product defect rates.

We embed quality awareness into our corporate DNA and foster a cultural atmosphere where all employees pursue excellence and continuous improvement by establishing a multi-layered training system and quality management mechanisms. Routine monthly quality training and employee skills competitions enhance quality control capabilities, while strengthening on-site guidance for suppliers empowers the supply chain. This not only resolves immediate production hazards but also builds a proactive "prevention-first" mechanism to ensure a comprehensive elevation in quality management levels.

Case Union Empowerment: Forging Skills in the Workplace

In November 2025, using the Employee Skills Competition as a core platform, SACA launched targeted quality skills training across multiple roles. The training focused on blueprint reading, professional software operation, and equipment performance mastery to solidify technical application fundamentals; it reinforced processing techniques, precision manufacturing standards, and dimensional accuracy control to guarantee product quality compliance; integration of equipment maintenance, troubleshooting, and anomaly handling skills boosted the efficiency of quality risk management; the standardized use of measuring tools and self-inspection/submission processes were covered to fortify the full-process quality defense line; through "one person, multiple machines" practical training and process improvement capability building, we are nurturing hybrid quality talent to inject powerful momentum into the company's sustainable development.



Employee Skills Competition

Case Strengthening Internal Audit Capabilities and Deepening Quality System Construction

In October 2025, the Quality Manager organized specialized ISO 9001 Quality Management System training for all members of the Quality Control Department. The curriculum covered critical nodes such as system audit preparation, implementation procedures, and improvement tracking, aiming to equip personnel at all levels with a deep mastery of quality management tools. Through video learning and practical demonstrations, we ensured that system standards are accurately implemented in daily quality control work.



Quality Management System Training

Metrics and Targets

Always adhering to the operational policy of "Quality First," SACA has established a quality performance monitoring system. By breaking down quality targets across R&D, production, supply chain, and after-sales, we dynamically track and finely manage quality risks.

> Fulfillment of Annual Core Quality Targets

Annual Core Quality Target	Progress
Precision hardware	
Client inspection first-pass yield $\geq 99\%$	✓ Achieved
Production pass rate $\geq 99\%$	✓ Achieved
Scrap rate $\leq 2.01\%$	✓ Achieved
Cross-border e-commerce	
Outgoing inspection batch pass rate 95%	✓ Achieved

During the reporting period, product quality control remained excellent, with no product recall incidents.

> Product Quality Performance

Indicator	2025 Value
Product pass rate (Precision Hardware)(%)	99.56
Inspection batch pass rate (Cross-Border E-commerce)(%)	95.10
Annual internal quality audits	2
Third-party agency spot checks	2
Product recalls	0
Product recall ratio (%)	0


Deepening Customer Service Excellence

Upholding a "Customer-Centric" service philosophy, SACA strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Personal Information Protection Law of the People's Republic of China*. We have formulated a series of systems, including the Sales Operation Process, Customer Complaint and Return Handling, and Information Security Management Measures. Tailored to diverse customer groups across different business formats (B2B and B2C, online and offline), we have established differentiated customer rights protection mechanisms to ensure every step from initial sales contact and transaction processing to after-sales feedback is regulated and documented.

Differentiated customer service governance architectures have been built to suit our various business formats. Both major business divisions feature a Sales Department that coordinates customer rights management for their respective formats. The Precision Hardware division has set up International, Domestic Key Account (KA), Channel, and Business Development groups for different client segments. The Cross-Border E-commerce division is divided into Online and Offline departments based on sales channels. This rational functional division ensures precise protection of customer rights.


SACA has established standardized customer rights protection mechanisms, implementing standardized measures across critical stages of the customer lifecycle, including responsible marketing, customer communication, privacy protection, complaint response, and product accessibility.

> Customer Rights Protection Measures




Responsible marketing

- All performance data and textual claims regarding precision hardware and 3C products used in marketing materials are backed by internal testing or authoritative third-party test reports, ensuring that promotional content is authentic and accurate.
- We clearly and comprehensively disclose product information through official brand websites, product packaging, and other channels to entirely prevent any form of concealment, exaggeration, or false advertising.




Customer communication channels

- Establish liaison offices in primary client locations to maintain close communication through regular visits, phone calls, emails, and online customer service.
- Systematically record customer feedback on product usage and service needs to drive internal service quality improvements and ensure rapid responses to customer demands.
- Conduct regular annual customer satisfaction surveys, using the results as a vital input for evaluating and optimizing the customer experience.




Customer rights enhancement

- The Online Sales Department of the Cross-Border E-commerce division clearly displays product warranty and privacy policies on brand official websites to protect consumers' right to know. We have also established a data analysis mechanism based on customer negative reviews and return rates to specifically optimize product quality and customer service processes.
- The Offline Sales Department of the Cross-Border E-commerce division ensures rapid response and resolution of channel after-sales issues by preparing 3% of after-sales spare parts in advance.




Customer privacy protection

- We have built a multi-layered information technology security defense system. By comprehensively applying Huawei Cloud ERP (including bastion hosts, backups, and security suites), firewalls (Cisco ASA, Huawei), endpoint antivirus software (Kaspersky), behavior management (Sangfor), network access control, and backup software, we strictly protect the security of customers' personal information. No information security incidents occurred during the reporting period.



Product recall procedures

- The Precision Hardware division has formulated the *Customer Complaint and Return Handling and Customer Complaint Handling Procedures*, clearly defining the processes and responsibilities for handling customer complaints and product returns, forming a complete management closed loop from reception, analysis, and processing to verification and closure.
- For the primarily B2C sales model of the Cross-Border E-commerce division, the Company strictly follows the after-sales policies of each platform to handle customer requests. To date, no product quality incidents requiring a mass recall have occurred.

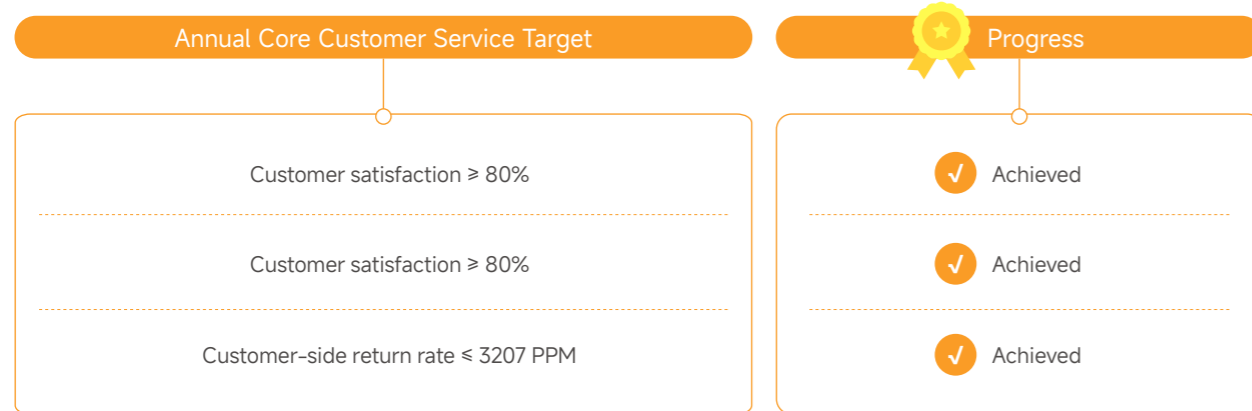


Product accessibility

- To improve product accessibility and user experience, the Cross-Border E-commerce division has rolled out digital product guides. Customers can easily access electronic manuals and operational demonstration videos by scanning a QR code on the product, lowering the barrier to use and enhancing service convenience.

Viewing the customer service experience as a cornerstone of sustainable development, SACA has established a customer service performance monitoring and evaluation mechanism. We translate the "Customer First" philosophy into quantifiable, trackable goals, integrating them throughout the entire customer lifecycle management process from service touchpoints and relationship maintenance to closed-loop improvements.

> Fulfillment of Annual Core Customer Service Targets



During the reporting period, customer service performance metrics for the Precision Hardware division were as follows:

> Customer Service Performance

Indicator ³	2025 Value
Customer satisfaction (%)	98
Percentage of surveyed customers (%)	91

Implementing Responsible Procurement

SACA is dedicated to building a safe, efficient, and sustainable supply chain. By strengthening whole-chain synergy, deepening joint prevention and control of procurement risks, and enacting sustainable development concepts, we systematically enhance supply chain quality, efficiency, and risk control capabilities, achieving optimized resource allocation and the coordinated development of the entire ecological chain.

³Customer satisfaction statistics apply to the Precision Hardware division.

Governance

SACA has constructed a standardized, regulated, and information-driven full-lifecycle supplier management system. Adhering to laws such as the *Bidding Law of the People's Republic of China*, we have formulated management systems including the *Supplier Management Operating Procedures* and *Supplier Performance Evaluation and Assessment Management Regulations*. We have perfected a full-process management mechanism covering supplier admission evaluation, classification and modification, regular inspections, dynamic control, comprehensive evaluation, and monitoring/improvement. For outsourced electroplating and corrugated packaging material suppliers that specifically provide products for key major customers, the control requirements shall concurrently comply with relevant standards including the process specifications designated by such customers.

The General Manager leads a supplier governance architecture featuring multi-departmental collaboration. The General Manager comprehensively coordinates supplier management work, exercising final approval authority over major matters such as supplier onboarding and performance evaluation; the Supply Chain Management Department, SQE, Quality Control Department, and Planning & Logistics Department operate collaboratively. They coordinate core tasks such as supplier audits and rectification tracking, incoming material quality management, supplier performance assessment, engineering change interfacing, and delivery/service management; the Production Technology and R&D Center provides professional support from a technical dimension, assisting with supplier technical audits, sample and batch trial production verification, and engineering/material change assessments to ensure all supplier management requirements are effectively executed.

> Supplier Management Organizational Architecture



During the reporting period, a total of 4 suppliers completed the FSC Chain of Custody (COC) certification.



FSC Chain of Custody Certification

Strategy

SACA prioritizes identifying and managing potential risks and opportunities within the supply chain. We view this as a strategic imperative for building supply chain resilience, elevating our competitive standing in the industry, and seizing catalysts for innovation and value growth.

Risk Identification and Responses				
Risk Type	Risk Description	Timeframe	Financial Impact	Response Measures
Supply chain volatility	The Precision Hardware business faces price fluctuations in raw materials like steel, alongside the risk of supplier capacity shortages	Short term	Drive up raw material procurement costs, delay core order deliveries, cause stockout losses, and negatively impact cash flow	Establish price-locking mechanisms and scaled procurement systems for core raw materials like steel. Implement robust emergency response protocols for supply chain disruptions
Escalating Green Compliance requirements	International markets and anchor clients, are continuously raising their demands for green production and low-carbon logistics, pushing environmental compliance pressure down the supply chain	Medium to long term	Create export barriers due to environmental compliance limits. Green supply chain rectifications require extra capital for technological upgrades and production line transformations, exerting dual pressure on profitability and cash flow	Proactively invest in green technology R&D. Ensure that green compliance requirements are strictly implemented and fully controlled across every tier of the supply chain

Opportunity Identification and Responses				
Type	Description	Timeframe	Financial Impact	Response Measures
Sustainable supply chain	Responding to global low-carbon trends by building a comprehensive green supply chain encompassing procurement, production, and logistics, aligning perfectly with the green sourcing criteria of clients	Medium to long term	Capture green order premiums from anchor enterprises, strengthen partnerships with highly sticky strategic clients, establish an industry benchmark, and boost both product gross margins and market competitiveness	Formulate a green supply chain development blueprint. Drive upstream suppliers to execute green production line upgrades. Develop eco-friendly hardware products and fully recyclable packaging for cross-border e-commerce
Digital supply chain	Leverage digital and intelligent technologies to upgrade the entire supply chain, and break down data silos across procurement, production, logistics, and sales for smart matching of inventory and orders	Medium to long term	Drastically improve inventory turnover rates and order response times, lower operational and management costs, precisely capture market demand, and maximize operational efficiency	Continuous resource allocation to supply chain digitalization to upgrade smart management systems for real-time data monitoring and analytics, and introduce advanced technologies like AI-driven order forecasting and intelligent logistics scheduling

Impact, Risk, and Opportunity Management

Guided by the rules of fairness, justice, and transparency, SACA remains committed to standardizing its supplier ecosystem. We strictly control the end-to-end lifecycle spanning supplier development, onboarding, evaluation, and phase-out. By establishing a sound admission and exit mechanism, we guarantee the effectiveness of our supply chain management.

> Sourcing & Development



We are committed to constructing a secure, sustainable, digitally empowered, and mutually beneficial supply chain ecosystem. By executing a diversified supply layout and deep inventory synergy, alongside the active promotion of sustainable procurement and SME support policies, we join forces with our partners to collectively enhance industrial chain resilience and value creation capabilities.

> Supply Chain Management Initiatives

Supply chain stability

- Supplier diversification:** The "1+1+N" strategy means that the Company introduces one primary backup supplier and cultivates one strategic reserve supplier for core products, neutralizing single-source dependency risks
- Deep synergy mechanism:** Sign safety stock SLAs with core suppliers to erect a "Rolling Forecast + Safety Buffer" mechanism. The Company furnishes a 6-month rolling demand forecast, while suppliers are obligated to hold a 1-month strategic safety buffer
- Smart inventory strategy:** Optimize the geographic footprint of platform and overseas warehouses. This ensures safety stock volumes effortlessly cover 30 days of sales demand, absorbing sudden market shockwaves
- Diversified logistics routing:** Construct 3D logistics corridors. The Company develops air freight, express sea, and regular sea channels for the U. S. market and integrates ocean, rail, and trucking arteries for Europe, guaranteeing absolute logistics fluidity during emergencies

Sustainable Supply Chain

- Green localized procurement:** Rigorously audit suppliers for sustainability credentials, predominantly ISO 14001 Environmental Management System Certification, ISO 45001 Occupational Health and Safety Management System Certification, and FSC Forest Certifications; we aggressively champion localized procurement, with 87.65% of suppliers from South China, massively slashing transit-induced carbon emissions
- Anti-corruption & compliance:** All core suppliers are mandated to sign binding *Anti-Corruption Agreements* during their initial onboarding phase

The Company prizes ecological synergy with its partners. Through regular training sessions, profound industry exchanges, and sharp market insights, SACA drives the development of partners upstream and downstream.

> Ecological Synergy Initiatives

Supplier Empowerment and Communication


- Build an O2O (Online & Offline) supplier training architecture. During the reporting period, quality training was conducted covering systems management, product QC standards, and DOE (Design of Experiments) test cases
- Institutionalize a routine, C-suite communication mechanism for strategic partners
- Host after-sales meetings (e. g., RMA debriefs) for flagship products, solving chronic quality bottlenecks

Industry Exchange and Market Insights

- Participate in industry expos and field research activities, gauge competitor footprint and new-product specs through unofficial channels, and regularly attend expos on charging tech, energy storage, and consumer electronics to stay ahead of the technology evolution curve
- By surveying the downstream market size to extrapolate upstream capacity and collecting user pain points via field visits, the Company merged channel interviews with competitor analysis. This crystallized a new-product development vector aimed at the "Ultimate Localized Experience," successfully commercializing raw market insights into tangible product innovations

Case Empowering Suppliers with Quality CAPA Mentorship Mechanism

SACA provided intensive corrective mentorship and training to a key supplier, introducing "Punch List Accountability" for non-conformances in the material feeding and cooling anti-rust processes. This not only assisted the supplier in swapping out damaged cross-arms and redesigning the feeding racks, but also helped them institutionalize a self-audit mechanism, slashing the recurrence rate of chronic defects right at the source.



Case Connecting Global Merchants with Precision Engineering: Global Outreach at the Canton Fair

In October 2025, SACA showcased unparalleled precision manufacturing in China at the China Import and Export Fair (Canton Fair) thanks to its over 31 years of prowess in the home hardware sector as well as authoritative certifications and patents. To technologically keep pace with the world, the Company exchanged industry and market insights with elite global merchants at the trade shows, underpinning its global service network. SACA always works to move forward with global partners. While driving prosperity across the supply chain, both share opportunities in the global home hardware market, creating an ecosystem of win-win collaboration.



SACA's Booth at the 2025 Canton Fair

Metrics and Targets

Targeting full-lifecycle vendor management, SACA has established a supplier performance tracking system anchored on supplier demographics, ESG governance, and capacity building. The targets are implemented across critical nodes, including supplier footprint, qualification certifications, anti-corruption compliance, and training.

During the reporting period, the Company maintained a roster of 243 active suppliers in the South, East, and Southwest regions of China.



> Supplier ESG Management Performance Summary⁴

Indicator	2025 Value
Percentage of ISO 14001 certified suppliers (%)	90
Percentage of ISO 9001 certified suppliers (%)	100
Percentage of ISO 45001 certified suppliers (%)	80

Supplier Training Performance Summary

Training sessions	Training hours	Total attendances	Coverage rate for core suppliers
135	240	450	100%

Committing to Social Contribution

SACA remains committed to corporate social responsibility and upholds its mission to give back to the community, organizing social welfare programs and supporting community building wherever it operates. Through these concrete actions of warmth, it shares the fruits of its high-quality growth with society at large.

Rural Revitalization

Guided by the central, provincial, municipal, and county-level policies on poverty alleviation and rural revitalization, SACA helps fuel stable income growth and drive sustainable rural growth in villages of Qiandongnan Prefecture via industrial/consumption subsidies, targeted labor employment, and charitable endowments.

Case SACA Innovation Provides Assistance for Geyi Village (Qiandongnan Prefecture)

In 2025, SACA Innovation signed an assistance agreement with Geyi Village. Both parties will collaborate on fortifying grassroots Party building, deepening industrial alliances, promoting labor exports, executing consumption-based poverty relief, propelling rural revitalization, and pioneering charity services. This alliance helps forge a model village for rural revitalization while guaranteeing sustained, stable income bumps for the poverty-alleviated population.

⁴Note: Statistical data regarding the proportion of suppliers with ISO 14001, ISO 9001, and ISO 45001 certifications, as well as the Anti-Corruption Agreement signing rate, are based on the Cross-Border E-commerce segment.

Social Welfare and Volunteer Services

With its CSR commitment, SACA engages in diverse public welfare activities, including medical aid and eldercare. As the Company expands its commercial footprint, it honors its civic duties via concrete actions, building a brand image of warmth and bringing hope to society.

> Summary of Public Welfare and Volunteer Activities

Indicator	2025 Value
Total number of projects	6
Total attendances	16
Total hours volunteered	8
Total individuals benefited	308
Total donations (RMB)	148,000

Case Caring for the Elderly at Beijiao Yuyin Nursing Home

In 2025, the Company's management and volunteers visited the Beijiao Yuyin Nursing Home, providing daily necessities for the elderly and offering emotional support through intimate, one-on-one conversations. Its sustained outreach activities involving material aid and spiritual companionship at the Yuyin Nursing Home for 20 years aim to elevate the quality of life and happiness of local seniors, rallying broader societal forces to champion the aging population.

Case Bringing Love and Warmth to the Community: Voluntary Blood Donation Drive

SACA catalyzed employee participation by extensively popularizing blood donation knowledge and ensuring professional and safe blood collection. The drive advocated for 100% voluntary participation, with abundant nutritional replenishment and guaranteed rest periods for all donors. Many employees were actively involved in spreading the hope of life. This showcased its humanistic ethos and philanthropic spirit of integrating with the community and bringing warmth to all.

Community Building and Overseas CSR Fulfillment

SACA provides sustained support to the communities where it operates. During the construction and operation of overseas projects, our domestic factories, alongside subsidiaries in Japan, the US, France, and Germany, go far beyond mere legal and compliant operations designed to minimize negative community impacts. They proactively pinpoint community needs. By deploying diversified avenues like employment assistance and public charity, they ensure local communities reap the absolute maximum benefit from our corporate footprint.

To provide better employment support for youth demographics, the Company has included "Graduate Internship Bases" at its domestic plants to curate high-quality internship slots perfectly tailored for fresh graduates.

Case Qingyuan Internship Base: Empowering Graduates to Launch Their Careers

In response to the calls of CPC Central Committee and Guangdong Province regarding "Youth Employment (Including University Graduates)," the Company established the "Graduate Internship Base" at its Qingyuan plant, curating premium internships for grads. Seasoned and skilled professionals are assigned as mentors to impart hands-on skills to graduates so that they can level up their practical experience and technical acumen. SACA protects the legal rights of its interns. Beyond living allowances not lower than local minimum-wage baselines, SACA provides Personal Accident or Work-Injury Insurance, as well as logistical support, including catered meals and dormitories. By opening up tech-intensive manufacturing internships, the Company has prepared young interns with agility in employment and career transitions, thus contributing its part to regional employment stabilization and the strategic reserve of high-end manufacturing talent.



Graduate Internship Base

While driving localized operations, the overseas subsidiaries and plants roll out philanthropic projects aimed at marginalized demographics, cultivating a "compassionate" international brand.

Case SVJ's Seishuryo Youth Care Initiative

As Japan's very first support shelter for youth from impoverished or domestic violence-afflicted families, Seishuryo takes in vulnerable adolescents aged 15–20 who are unable to lead normal lives. Since the shelter opened its doors, SVJ has been providing tangible material care for the youths, e.g., the electronics it produces, every Christmas, ensuring these aided adolescents feel the warmth and unyielding support of society.



Key Performance Indicators

Governance performance

Indicator	2025 Value
Board meetings	4
Proposals reviewed by the Board	28
Expected attendances on Board meetings	28
Attendance rate of Board meetings (%)	100
General Meetings	2
Expected attendances of directors at General Meetings	14
Proposals reviewed at General Meetings	16
Attendance rate of directors at General Meetings (%)	100
Strategy and ESG Committee meetings held	0
Nomination Committee meetings	0
Remuneration and Appraisal Committee meetings	1
Proposals reviewed by the Remuneration and Appraisal Committee	2
Audit Committee meetings	6
<i>Proposals reviewed by the Audit Committee</i>	21
Anti-corruption training sessions for management	1
Anti-corruption training sessions for employees	1
Anti-corruption training hours for management	1
Anti-corruption training hours for employees	1
Management attendances in anti-corruption training	5
Employee attendances in anti-corruption training	15

Indicator	2025 Value
Risk control training sessions	2
Risk control training hours	2
Risk control training attendances	30
Compliance training sessions	15
Compliance training hours	30
Participants in compliance training	150
Audit Training sessions	56
Audit Training hours	32
Audit Training attendances	600

Environmental performance

Indicator	2025 Value
Expenditure on environmental protection (RMB millions)	2,1517
Environmental emergency drills	2
Environmental protection training sessions	2
Environmental protection training attendances	80
Environmental protection training hours	3
Office paper consumption (tonnes)	3.63
Domestic water consumption (tonnes)	123,051
Direct (Scope 1) GHG emissions (tCO ₂ e)	868.81
Indirect (Scope 2) GHG emissions (tCO ₂ e)	2,201.96
Total GHG emissions (Scope 1 and Scope 2) (tCO ₂ e)	3,070.77
GHG emission (Scope 1 and Scope 2) (tCO ₂ e / RMB millions of revenue)	2.05

Indicator	2025 Value
Total purchased electricity (MWh)	5,052.98
Self-consumed PV power generation (MWh)	903.03
Gasoline consumption (tonnes)	14.96
Diesel consumption (tonnes)	266.15
Total energy consumption (tce, tonnes of coal equivalent)	1,141.81
Energy consumption intensity (tce / RMB millions of revenue)	0.76
Green Electricity Certificates (GECs) purchased	527
Total green power purchased (MWh)	527
Domestic effluent discharge (tonnes)	61,525.5
General waste generated (tonnes)	56.28
Hazardous waste generated (tonnes)	35.5

Social performance

Indicator	2025 Value
Technological innovation	
R&D professionals	193
R&D expenditure (RMB millions)	39,356.7
Accumulated effective authorized patents	483
Including: Invention patents	98
Utility model patents	274
Design patents	111
Newly authorized patents in the year	39

Indicator	2025 Value
Invention patents	11
Utility model patents	19
Design patents	9
Total Industry Standards Led/Co-drafted	2
Total group standards led/co-drafted	1,432
New group standards led/co-drafted in the year	49
Total R&D projects participated	29
New R&D projects in the year	22
Expenditure on intellectual property (RMB)	40.86
IP training sessions	10
Total IP training hours	15
IP training attendances	218
Employees	
Total number of employees	1,464
By gender	
Male	939
Female	525
By age	
30 and under	415
31 to 50	853
>50	196
By ethnicity	
Ethnic majority (Han)	1,323
Ethnic minorities	141

Indicator	2025 Value
By region	
Chinese Mainland	1,442
Overseas, Hong Kong, Macau & Taiwan	22
By education	
Associate degree and below	1,257
Bachelor's degree	187
Master's degree and above	20
Special employees	
Poverty-alleviated & long-term unemployed	39
Person with disability	17
Turnover rate	9.31
Expenditure on employee training (RMB)	27,000
Total training sessions	192
Total training hours	155.55
Total training attendances	6,257
Average training hours per employee	2.62
Labor contract signing rate (%)	100
Social insurance coverage rate (%)	100
Financially disadvantaged employees assisted	20
Assisted employees per RMB millions of revenue	0.01
Work Safety	
Safety hazard rectification rate (%)	99.5
Number of safety emergency drills	5
Expenditure on work safety (RMB)	603,000

Indicator	2025 Value
Major production safety accidents	0
Major work-related injuries	0
Work-related fatalities	0
Workdays lost to major injuries	0
Total training attendances	4,328
Total training hours	326
Total training sessions	288
Quality Management	
Product pass rate (Precision Hardware) (%)	99.56
Inspection batch pass rate (Cross-Border E-commerce) (%)	95.10
Annual internal quality audits	2
Third-party agency spot checks	2
Product recalls	0
Product recall ratio (%)	0
Customer satisfaction (%)	98
Percentage of surveyed customers	91
Supply Chain Management	
Total supplier count	243
Including: East China	29
South China	213
Southwest China	1
Percentage of ISO 14001 certified suppliers	90
Percentage of ISO 9001 certified suppliers	100
Percentage of ISO 45001 certified suppliers	80

Indicator	2025 Value
Training sessions	135
Training hours	240
Total attendances	450
Coverage rate for core suppliers (%)	100
Social Responsibility	
Total number of projects	6
Total attendances	16
Total hours volunteered	8
Total individuals benefited	308
Total donations (RMB)	148,000

Appendix I: Content Index

Primary Heading	Secondary Heading	Sustainability Reporting Standards (GRI Standards)	SZSE Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)
ABOUT THIS REPORT		2-1/2-2/2-3	/
Chairman’s Statement		2-22	/
About SACA		2-1/2-6	/
ESG Management		3-1/3-2/3-3/2-14/2-29	Stakeholder communication
Embracing Green Growth with Low-Carbon Initiatives		/	Innovation-driven Development
Embarking on a New Digital Journey with Intelligence as the Engine		/	Innovation-driven Development
Responsible Governance: Partnering for Future Prosperity	Consolidating the Foundation of Governance	/	Stakeholder communication
	Standardizing Corporate Operations	/	Anti-unfair competition, anti-corruption, and anti-bribery
Environmental Stewardship: Safeguarding the Ecosystem	Addressing Climate Change	305-1/305-2/305-4/305-5	Climate Change Mitigation and Adaptation
	Environmental compliance management	/	Environmental compliance management
	Implementing Cleaner Production	302-1/302-3	Pollutant emissions; waste management; energy utilization, use of water resources
Innovation-Driven Growth for Core Values	Strengthening Innovation Capabilities	/	Innovation-driven Development
	Translating R&D Excellence	/	Innovation-driven Development
	Protecting intellectual properties	/	Innovation-driven Development
People-Centric Development: Upholding the Safety Bottom Line	Fostering Employee Growth	2-7/401-1/401-2/402-2/404-1/404-2/405-1	Employees
	Fortifying Safety Foundation	403-1/403-2/403-3/403-5/403-7/403-9	Employees
Corporate Citizenship: Creating Shared Social Value	Implementing Stringent Quality Standards	417-1	Product and service safety and quality
	Deepening Customer Service Excellence	/	Product and service safety and quality, data security and customer privacy protection
	Implementing Responsible Procurement	308-1/308-2/414-1/414-2	Supply chain security and resilience, due diligence
	Committing to Social Contribution	/	Social Contribution
Key Performance Indicators		2-7/201-1/302-1/305-1/305-2/305-4/305-5/401-1/403-5/403-9/404-1	/
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Appendix II: Feedback Form

Thank you for reading this report.

To provide more valuable information to you and our stakeholders, effectively advance the Company's ESG management and practices, and continuously improve the Company's ESG disclosures, we welcome your valuable feedback.

Your Information

Name: _____ Organization: _____
Contact Number: _____ E-mail: _____

1.What is your overall assessment of our ESG performance?

Excellent Good Fair Poor Very Poor

2.What is your overall assessment of this report?

Excellent Good Fair Poor Very Poor

3.How do you rate our performance in stakeholder communication?

Excellent Good Fair Poor Very Poor

4.How do you rate our performance in green development?

Excellent Good Fair Poor Very Poor

5.How do you rate our performance in social contribution?

Excellent Good Fair Poor Very Poor

6.How do you rate the clarity, accuracy, and completeness of the information, data, and indicators disclosed in this report?

Excellent Good Fair Poor Very Poor

7.Do you find the content arrangement and layout design of this report easy to read?

Yes No

8.Do you have any comments or suggestions regarding our ESG performance or this report?

Note: Please tick "√" in the corresponding "☐"