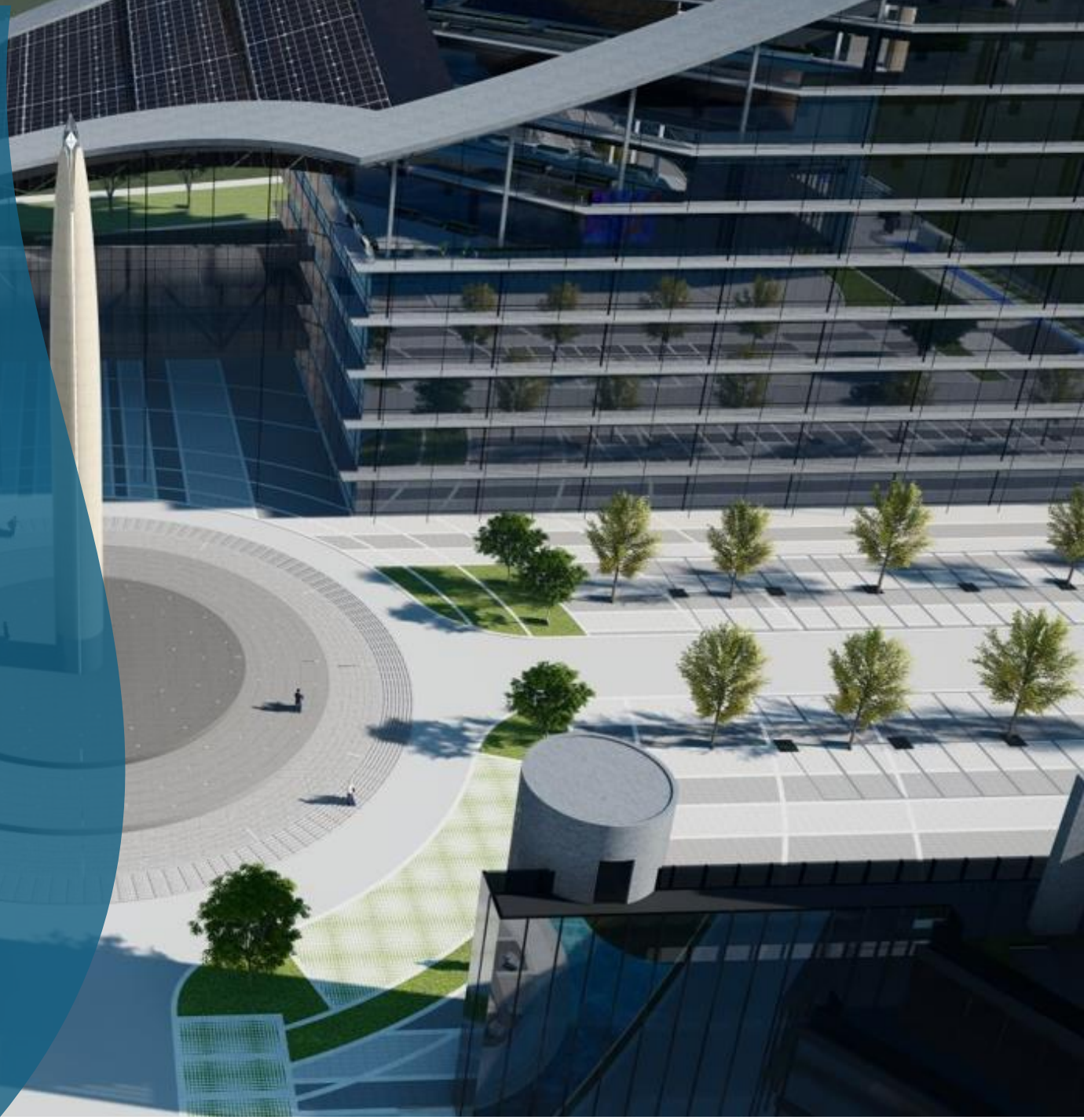
LUSTER 2025 Environmental, Social and Governance (ESG) Report

Knowledge and Reasons are Our Arms to Embrace the World

LUSTER

Stock Code: 688400



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About this Report

This Report describes the sustainable development philosophy of LUSTER LightTech Co., Ltd. (hereinafter referred to as "LUSTER", the "Company", or "the Company") and its subsidiaries, as well as the work plans and progress in the social, governance, and environmental aspects in 2025.

Scope of Report

This Report covers LUSTER and its subsidiaries. Financial-related data adopt the statistical scope of the 2025 consolidated financial statements and are consistent with the 2025 Annual Report. The time scope of this Report covers the period from January 1, 2025 to December 31, 2025. Unless otherwise specified, all data in this Report are for this period.

Basis for Report Preparation

The preparation of this Report follows the "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of. Listed Companies - Sustainability Report (Trial)" issued by the Shanghai Stock Exchange, and also references the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Sustainability Standards Board (GSSB).

Notes on Data of the Report

The information and data used in this Report are derived from original records, statistical reports, and financial reports from the Company's actual operations, and are uniformly presented in RMB as the unit of measurement.

Statement on Report Reliability

The Board of Directors of LUSTER is responsible for the authenticity, accuracy, and completeness of the contents of this Report. This Report contains no false records, misleading statements, or material omissions.

Report Approval Process

This Report was reviewed and approved by the Board of Directors on April 27, 2026.

Release of Report

LUSTER's ESG Report is released simultaneously with the Annual Report. The Simplified Chinese and English electronic versions are available on the Company's official website or the Shanghai Stock Exchange website (www.sse.com.cn).

2025 ESG Statement

Having been deeply engaged in the fields of machine vision and optoelectronic information for nearly 30 years, LUSTER has consistently upheld its mission of "implanting eyes and brain into machines, empowering light-speed interconnection, and creating and realizing customers' dreams." The Company deeply integrates the concepts of Environment, Social, and Governance (ESG) into its core business of "Vision + AI," drives sustainable development through technological innovation, and is committed to becoming a global leader in visual artificial intelligence.

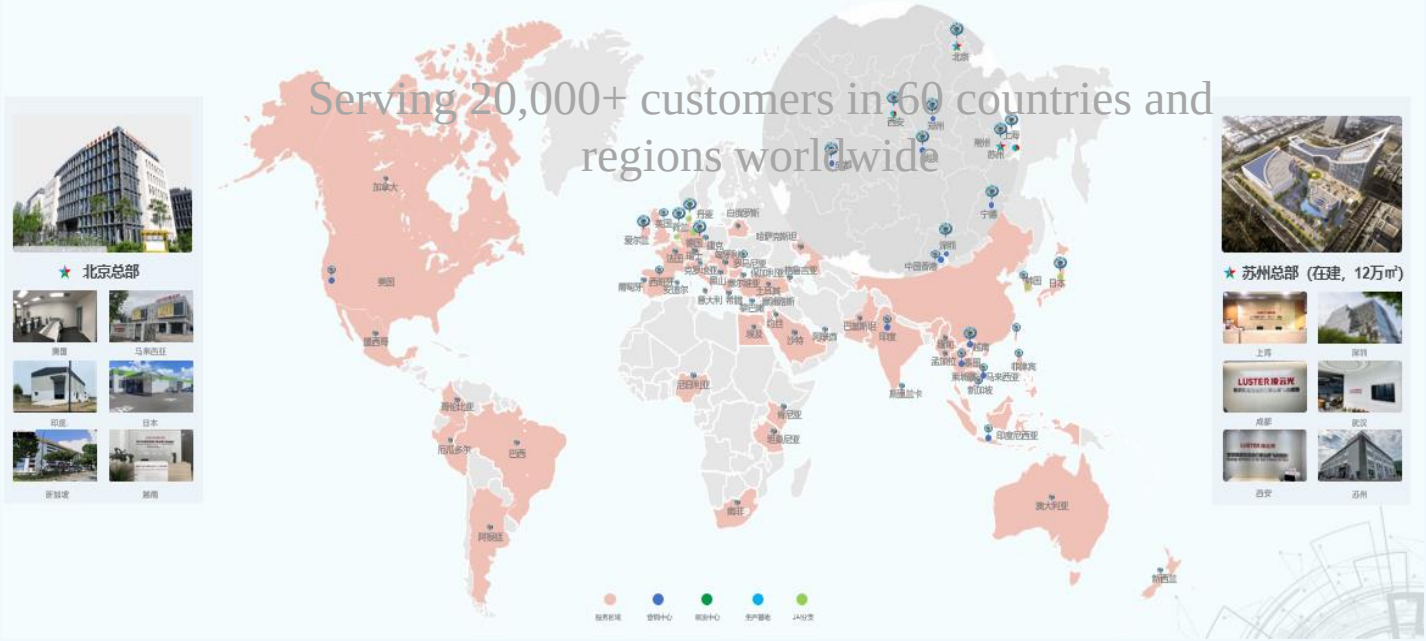
Based on the business essence of machine vision characterized by "quality improvement, efficiency enhancement, and consumption reduction," the Company established a three-tier ESG management structure of "decision-making–planning–execution" in 2025. Major decisions are coordinated through the Strategy and Sustainability (ESG) Committee, while three lines of risk management defense—business, internal audit, and audit—are reinforced. ESG requirements are embedded throughout the entire product chain of "components–systems–equipment–intelligent factories," enabling the deep integration of technological innovation and sustainable development.

Environmentally, the Company empowers the green transformation of the entire industrial chain through machine vision technology. Through high-precision intelligent inspection solutions, it helps customers reduce carbon emissions from production waste and rework processes, thereby promoting cost reduction and carbon reduction in manufacturing. Meanwhile, the Company advances the development of Green Factories, deploys renewable energy applications and digitized green operations, and establishes a full-process environmental management system to standardize the disposal process of wastewater, waste gas, and waste. No major environmental violations or incidents occurred throughout the year. Socially, the Company focuses on the promotion of machine vision technology and value co-creation, and solidly fulfills its social responsibilities: through university-enterprise cooperation, skills training, and industry competitions, professional talent is cultivated for the industry; employee rights protection and occupational health and safety systems are improved to ensure comprehensive compliance protection and all-round employee development; collaborative empowerment is deepened across the supply chain to promote sustainable development among upstream and downstream enterprises; and the Company actively participates in rural revitalization and public welfare initiatives, giving back to society and delivering warmth through concrete actions. In terms of governance, the Company strengthens the foundation for high-quality development through compliant governance by improving the corporate governance structure, optimizing ESG governance mechanisms and information disclosure systems, and reinforcing full-cycle compliance management and intellectual property protection across the supply chain. We strictly adhere to the bottom line of business morality, strengthen defenses against corruption and fraud as well as data security risks, and build a transparent and compliant governance ecosystem that earns the trust of all stakeholders, thereby providing a solid guarantee for stable business operations.

In the future, LUSTER will continue to place "Vision + AI" innovation at its core, advance scenario-based applications of its technologies in green manufacturing, intelligent manufacturing and the digital economy, and work together with stakeholders to jointly create a sustainable future featuring the coordinated development of economic, environmental, and social value.

About LUSTER

Based on optical technology innovation, LUSTER conducts its business activities focusing on machine vision and fiber optics, and is committed to growing into a global leader in the field of visual artificial intelligence and optoelectronic information. The Company adheres to using "Vision + AI" to implant eyes and brain into machines, serving industrial intelligent manufacturing and embodied intelligence data acquisition. Leveraging nearly 30 years of technological accumulation in optical imaging, vision software and algorithms, and precision automation, the Company continuously advances product innovation and strives to become the optimal, strategic, trusted, and honorable choice for its customers.



Mission

Implant the eyes and brain into machines, empower light speed interconnection, create and realize customer dreams

Vision

Grow into a global leader in the field of visual artificial intelligence and optoelectronic information

Values

Take promoting industry development as our mission, and strive collectively through hard work. Transform knowledge into wealth, and ensure that wealth belongs to its true creators

Intelligent Business

Intelligent Solutions, Products & Services

Intelligent Workforce

AI-Empowered Workforce

Intelligent Organization

Intelligent Business Operations & Project Management

Intelligent Campus

Enhanced Experience · Greater Efficiency · Greener Operations

Industrial Intelligent Manufacturing

The Company has been deeply engaged in the industrial vision field for more than two decades and has grown into an industry-leading provider of configurable vision systems, intelligent vision equipment, and core vision components, as well as related products and solutions. Serving multiple industries in industrial intelligent manufacturing, the Company provides customers with diversified products and solutions for intelligent manufacturing and quality inspection, and supports the transformation and upgrading of industrial manufacturing through continuous product innovation.

Cultural Metaverse

Based on innovations in computational imaging and artificial intelligence technologies, and oriented toward applications such as virtual reality, digital humans in the Web3.0 era, and VR immersive media, the Company has independently developed a series of advanced products and solutions including light-field modeling, panoramic filming, motion capture, and virtual production. These technologies enable the integration of digital humans, objects, scenes, and environments, making the Company a Chinese leading provider of Metaverse digital content creation tool platforms.

Optical Communication

Rooted in fiber-optic technology across five major application fields (data communication, telecommunications, scientific communication, fiber lasers, and fiber sensing), the Company leverages high-quality product resources such as high-end optoelectronic components, high-end equipment, and instruments based on internationally leading technologies to continuously build leading high-end product solutions, guiding and creating demand among domestic industry customers, and empowering the transformation and upgrading of the digital economy.

Key Strategic Battles for Sustained Business Growth

Over the next five years, the Company will center its strategy on three core pillars—industrial artificial intelligence, the cultural metaverse, and fiber optic communications. To build the strategic capabilities required for sustainable medium- to long-term growth, we will execute through five strategic imperatives: deepening engagement with strategic customers, accelerating international expansion, developing a diversified product portfolio, advancing our Four Intelligences initiative, and leveraging capital operations. This comprehensive approach will ensure the Company continues to thrive through the ongoing AI-driven transformation of society.

Development History

1996

1st Decade

300 employees
Pioneering Practice in Machine Vision

2005

- Distributed globally leading machine vision products
- Self-developed the first large-sheet RMB intaglio printing inline quality inspection system

2nd Decade

1000 employees
Deep Development of Major Industry Applications

2015

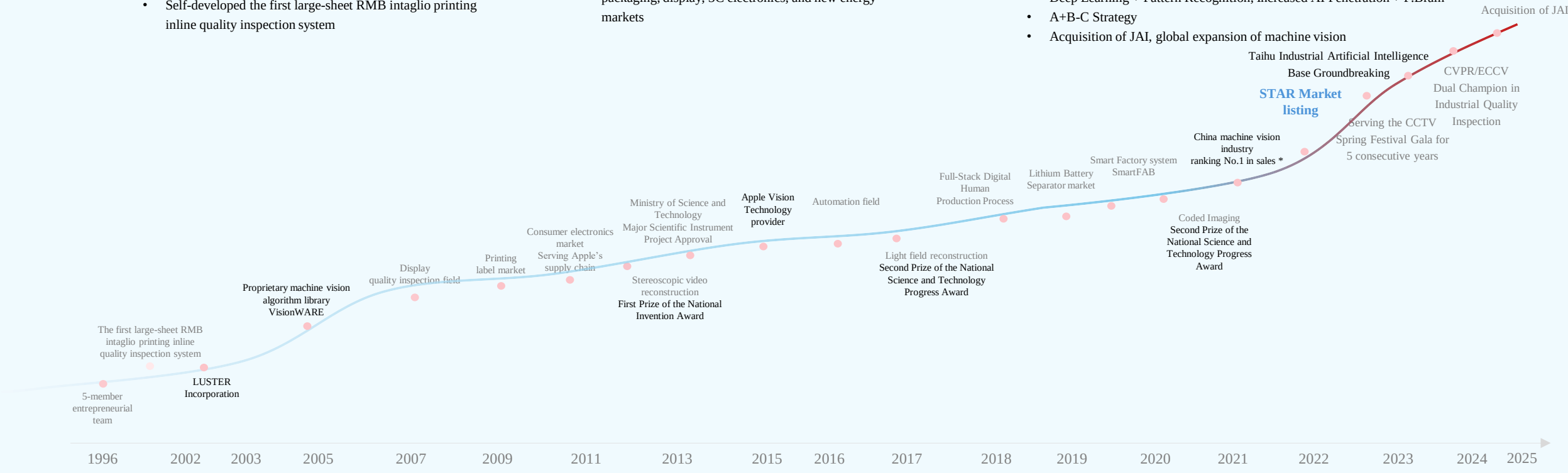
- Applications of Self-developed Products:Printing and packaging, display, 3C electronics, and new energy markets

3rd Decade

2,000 employees
Leap in Vision + AI + Automation Capabilities

2025

- Automation + AOI, GMQM Industrial software + big data
- Deep Learning + Pattern Recognition, Increased AI Penetration + F.Brain
- A+B-C Strategy
- Acquisition of JAI, global expansion of machine vision



Wholly-owned Acquisition of JAI: Strategic Globalization and Ecosystem Advancement

Advancing responsible M&A to integrate the "AI + Vision" value chain, enabling convergence of technology, market reach, and organizational excellence.

Localized Governance Integration

Completed full acquisition in January 2025, integrating JAI's 60+ years of optical imaging technology and established channels across Europe, America, Japan, and Korea into our ecosystem to reinforce global footprint. Rapidly optimized governance structure, refocused JAI on core strategic priorities, and delivered year-on-year performance improvement in 2025.

Supply Chain & Product Line Synergy

JAI industrial cameras fill gaps in our product portfolio; complementary models transferred to Japan for production. Integrated global procurement demands, established dual manufacturing bases in China and Japan, shared engineering capabilities, and ensured resilient global supply.

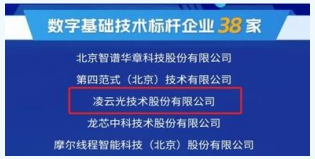
Cross-Cultural Organizational Integration

Upholding the principle of "Respecting Expertise, Local Operations," appointed Masao Watabe as JAI's operational management lead, with local teams driving daily operations. Established a regular customer service channel-sharing mechanism; unified R&D roadmaps and co-built platforms across both teams; enabled two-way market expansion through shared sales resources, achieving organic flow of talent, technology, and markets.

Honors and Awards in 2025

Technological Innovation Awards

Second Prize of the Beijing Technology Invention Award



2024 Beijing Benchmark Enterprise for Digital Fundamental Technologies

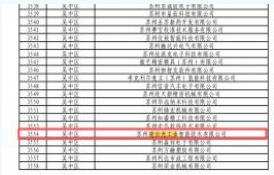
2024 Beijing's First Set of Major Technical Equipment

Beijing Typical Case of Artificial Intelligence Empowering Industry Development

Beijing Achievements in High-Quality Industry Dataset Resource Development

Suzhou High-Quality Dataset for the Manufacturing Sector

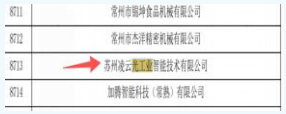
2025 China XR Top 100 Enterprises



2025 Innovative SME

Beijing Top Ten High-Definition Audiovisual Technology Innovation Projects

Technology Innovation Development Qualifications



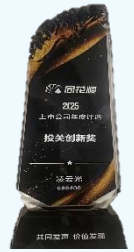
Subsidiary Suzhou LUSTER Industrial Intelligent Technology Co., Ltd. rated a National High-Tech Enterprise

Beijing Yuanke Fangzhou Technology Co., Ltd. Beijing Specialized, Refined, Differential and Innovative SME

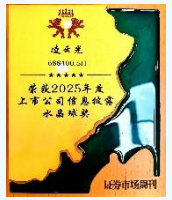
Beijing Yuanke Vision Technology Co., Ltd. Beijing Specialized, Refined, Differential and Innovative SME

Capital Market Influence and ESG Awards

2025 M&A and Restructuring Award (Shanghai Securities News + China Securities Journal)



Investor Relations Innovation Award



Listed Company of the Year 2025 Crystal Ball Award for Information Disclosure

Listed Company of the Year 2025 Crystal Ball Award for ESG

Best Communication and Interaction

Key ESG Indicators for 2025

Core Economic Contribution

Operating Revenue in 2025
RMB 2.912 billion

Dividends + Share Repurchases
RMB 51 million

Basic Earnings per Share
RMB 0.35/share

Technological Innovation

R&D Investment
RMB 511million

R&D Investment/Revenue
17.53%

R&D Members
687 employees

R&D Members/Total Number of Employees
36%

- Deep integration of AI algorithms and independent and controllable platforms, enabling intelligent transformation across the entire product line

Intellectual Property Rights

Cumulative Patents 895

Patents in 2025 139

Invention Patents in 2025 93

Product Quality

Product Yield
> 99%

Customer Satisfaction
> 90%

Customer Complaint Closure Rate 100%
0 major quality accidents throughout the year
Passed ISO9001 certification audit

Supply Chain

Proportion of Suppliers Signing the Anti-Corruption Agreement
95%
YoY Increase of 5%

Safety Agreement Signing Rate
95%
YoY Increase of 5%

Human Resources

Employee Social Insurance Coverage Rate
100%

Supplementary Medical Insurance Rate
100%

Total Number of Employees Taking Maternity Leave and Paternity Leave
124

Proportion of Employees Returning to Work After Maternity Leave
99%

Environmental Protection

Environmental Protection Investment in 2025
RMB 219,000

Passed ISO14001 certification audit
Climate Change-Related Opportunities and Challenges Identified in the First Year

Social Contribution

Total Charitable Donations in 2025
RMB 1.726 million
Cumulative Donations by the Actual Controller for Three Consecutive Years
RMB 4.85 million

Youth Training Program under community-school-enterprise cooperation launched

ESG Strategy and Management

LUSTER has always attached great importance to its own sustainable development capability and is committed to establishing a clear sustainable development governance structure aligned with its current stage of development, aiming to grow together with all stakeholders, achieve mutual benefit and win-win outcomes, and jointly advance a sustainable future.

At the ESG management structure level, the Company has established a three-tier management mechanism of "decision-making–planning–execution." The Strategy and Sustainability (ESG) Committee under the Board of Directors serves as the decision-making level, responsible for overall decision-making on major sustainable development matters related to strategy, operations, and social production. Under the Committee, the Company conducts tiered planning and execution of sustainable development topics across different dimensions, including customers, the supply chain, and employees. Among them, the Board Secretary's Office serves as the core driving unit of the governance system, responsible for advancing specific planning and execution. Through the above organizational operation approach, the Company synchronizes information on annual key ESG topics, research, and major matters, advances decision-making closed loops, and forms a normalized operating mechanism featuring coordinated linkage from top to bottom and integrated focus on key priorities.

Responsibilities of the Strategy and Sustainability (ESG) Committee

- Studies and formulates the Company's long-term development strategic plan
- Studies and puts forward suggestions on major investment and financing plans which are required to be approved by the Board of Directors under the Articles of Association
- Studies and puts forward suggestions on major capital and asset operation projects that are required to be approved by the Board of Directors under the Articles of Association
- Identifies and assesses material ESG risks and opportunities, including those related to environmental, social, and corporate governance aspects, and participates in providing suggestions on the Company's ESG strategy, including strategic planning, target setting, policy formulation, execution management, and risk assessment
- Supervises the Company's ESG work and provides suggestions, reviews the Company's ESG Report and provides suggestions, implements other matters authorized by the Board of Directors, and supervises the progress of ESG initiatives
- Studies and provides suggestions on other significant matters affecting the development of the Company
- Inspects the implementation of the above matters
- Other matters authorized by the Board of Directors

LUSTER attaches great importance to risk management in the process of sustainable development and has established three lines of defense for risk management through coordinated collaboration among business, internal audit, and external audit. Through this mechanism, the Company can promptly identify various risks arising during operations and adopt effective measures for prevention, control, and management. Using risk matters as entry points, the Company further feeds insights back into internal management and institutional systems, promoting the continuous improvement of processes and systems and safeguarding its long-term sustainable development and stable operations.

ESG Risk Management

Business Line of Defense	Internal Audit Line of Defense	Audit Line of Defense
Business operations involve the entire process from customer acquisition to contract signing, and from product delivery to payment collection. Based on actual business conditions, the Company provides risk and compliance training to frontline business personnel and management, designating participants at each stage as risk controllers to prevent "defective" processes from entering subsequent stages.	The Company has established a dedicated Internal Audit Department that focuses on key operational priorities and annual key projects to review its major business activities and processes, exercising in-depth control over compliance risks and containing potential risks within the Company. As the lead department, the Internal Audit Department is responsible for proposing systematic and feasible solutions and promoting the continuous optimization and improvement of processes.	The Company has established an Audit Committee under the Board of Directors to perform its duties of supervising, auditing, and preventing major risks by holding regular or ad hoc meetings to review key matters such as business operations, management decisions, and accounting treatments, thereby ensuring the effective operation of the business line of defense and the internal audit line of defense.

Product Responsibility Risk	Supply Chain Risk	Talent Gap Risk
Business Ethics Risk	Public Opinion Risk	Data Security and Privacy

Stakeholder Communication

Stakeholders	Topics of Concern	Communication Channels
Government and Regulatory Agencies	Innovation Development System, Value Co-Creation in Supply Chain, Investor Rights Protection, Green Development, Social Contribution, Product Quality Improvement, Corporate Governance Enhancement, Business Ethics Compliance, Resource Utilization	Reporting & Communication, Supervision & Inspection, Research & Symposium, Training
Shareholders/ Investors	Innovation Development System, Corporate Governance Enhancement, Business Ethics Compliance, Smart Manufacturing Enablement, Investor Rights Protection, Social Contribution	Public Performance Briefings, Regular & Ad Hoc Announcements, General Shareholders' Meeting
Customers	Product Quality Improvement, Value Co-Creation in Supply Chain, Smart Manufacturing Enablement, Business Ethics Compliance, Innovation Development System	Product Demand Research, Customer Visits & Return Visits, Product Maintenance & Service, Customer Satisfaction Survey
Suppliers	Product Quality Improvement, Value Co-Creation in Supply Chain, Business Ethics Compliance	Public Procurement, Supplier Conference, Supplier Qualification & Evaluation
Employees	Employee Rights Protection, Employee Health & Safety, Corporate Governance Enhancement, Employment & Remuneration, Business Ethics Compliance	Performance & Work Communication, Employee Assembly, Employee Grievance Mechanism, Employee Satisfaction Survey
Society	Social Contribution, Resource Utilization, Green Development, Employee Rights Protection, Corporate Governance Enhancement, Innovation Development System	Research & Interviews, Corporate Disclosure, Industry Events & Forums, Recruitment Activities

Identification and Assessment of Material Topics

In accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of. Listed Companies - Sustainability Report (Trial) and the GRI Standards, and in consideration of its development stage and operational priorities, the Company systematically carried out the identification of material topics. Through preliminary screening of topics based on the comprehensive analysis of the internal and external development environment, operational impacts, and industry practices, and through a dual-dimensional assessment focusing on impact materiality and financial materiality, the Company ultimately determined material topics that align with its actual development conditions, providing a scientific basis for sustainability management and information disclosure.

Step 1: Follow standard specifications to systematically identify issues

The Company strictly follows the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of. Listed Companies - Sustainability Report (Trial) and the GRI Standards. In combination with its own operational realities and key priorities, the Company systematically conducts the identification and review of sustainability-related topics.

Step 2: Conduct preliminary screening of issues in consideration of internal and external environments

Based on the macro background of sustainable development and its own strategic development direction, the Company comprehensively considers the impacts of its operating activities on the environment, society, and stakeholders, while benchmarking best practices across the upstream and downstream of the industrial chain and within the industry, thereby forming a preliminary list of material topics.

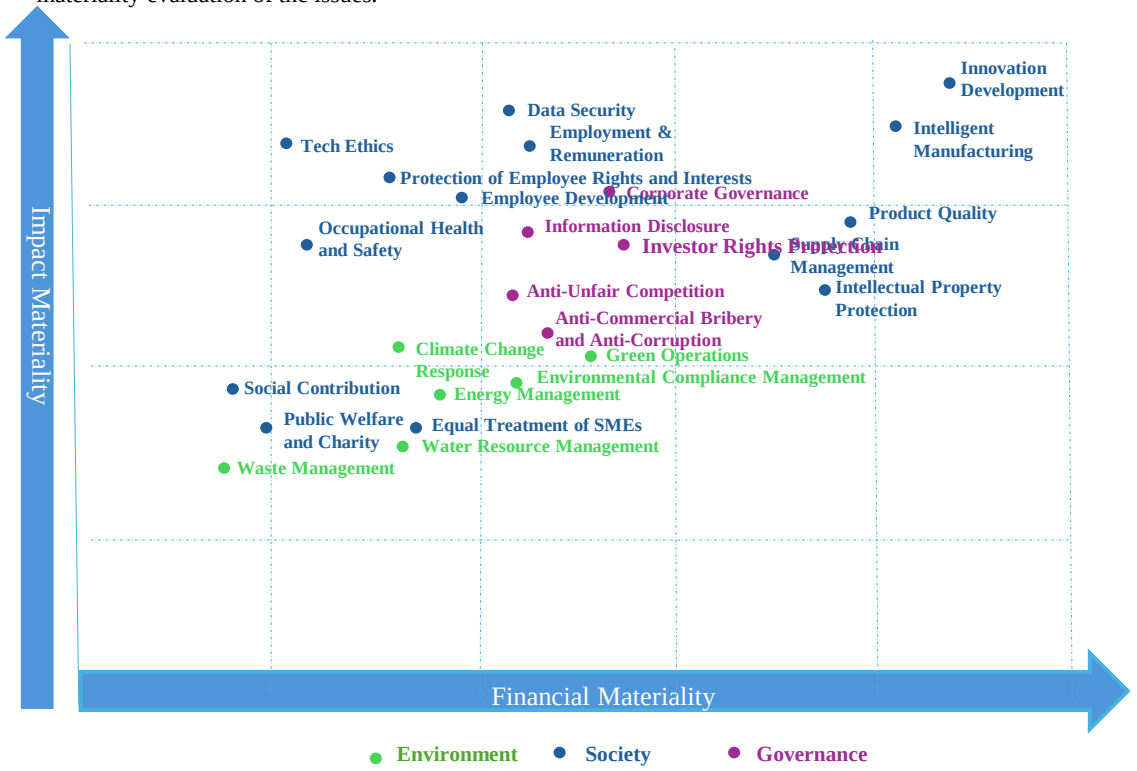
Step 3: Finalize the determination of issues based on the principle of double materiality

In light of its business model, core value chain, and key areas of connection with the environment and society, the Company conducts a structured and systematic assessment from two dimensions—impact materiality and financial materiality—scientifically evaluating the relevance and significance of each topic, and ultimately determining material topics that align with its current stage of development, thereby providing solid support for sustainability management and information disclosure.

Double Materiality Analysis

Financial Materiality Analysis

In terms of impact materiality assessment, the Company conducts evaluation based on two core dimensions: likelihood and severity of impact. Among them, "likelihood" is analyzed through both quantitative and qualitative approaches from three perspectives: scale of impact, scope of impact, and irremediability. During the assessment process, the Company places strong focus on the concerns of various interested parties, including customers, suppliers, government, and employees. Opinions are collected through questionnaires and other methods. Combined with the results of assessment and analysis, comprehensive judgment is conducted to ultimately form the conclusion on the impact materiality evaluation of the issues.

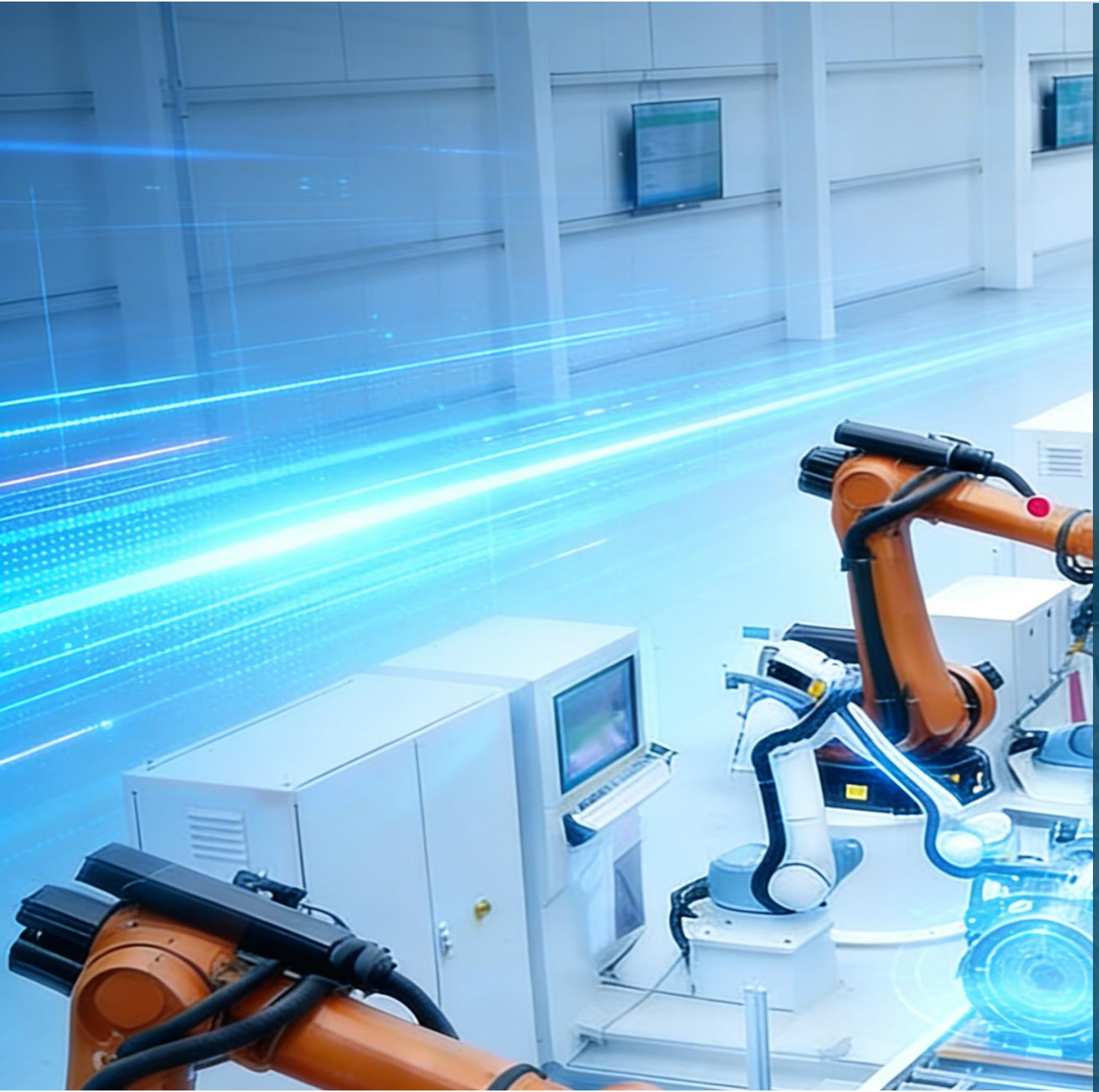


Impact Materiality Analysis

In terms of financial materiality assessment, the Company conducts systematic assessment from two aspects—the likelihood of financial impact occurrence and the degree of impact—across three time horizons: short-term (1–3 years), medium-term (3–5 years), and long-term (over 5 years). Through targeted communication with key stakeholders, including members of the Board of Directors, the Chief Executive Officer, and heads of the financial team, the Company ultimately forms financial materiality issue assessment results that align with its actual business operations.

Double Materiality Issues	Impact Materiality Issues	Non-material Issues
Innovation Development	Data Security	Environmental Compliance Management
Intelligent Manufacturing	Employment & Remuneration	Energy Management
Product Quality	Employee Development	Water Resource Management
Supply Chain Management	Protection of Employee Rights and Interests	Waste Management
Intellectual Property Protection	Occupational Health and Safety	Social Contribution
Corporate Governance	Green Operations	Equal Treatment of SMEs
Investor Rights Protection	Anti-Commercial Bribery and Anti-Corruption	Public Welfare and Charity
	Information Disclosure	
	Tech Ethics	
	Climate Change Response	
	Anti-Unfair Competition	

The Company focuses on machine vision and optical communications, with operations located in developed industrial parks. Its activities do not involve ecological protection redlines, nature reserves or habitats, having minimal direct impact on ecosystems and biodiversity. This is deemed non-material and not disclosed in detail.



Innovation-Driven Development

The Company has established a "Vision + AI" innovation system, improved a three-tier R&D architecture and the IPD process, and deeply engaged in intelligent manufacturing to launch multiple innovative products with outstanding ESG value. Meanwhile, the Company strengthens quality management and supply chain risk control, promotes green upgrading across the entire value chain, and drives high-quality development through innovation.

Special Topic: Vision + AI Leading a New Landscape

Innovation-driven Development System

Enabling Intelligent Manufacturing

Product Quality Enhancement

Co-creating Value Supply Chain

Topic

AI Empowering Intelligent Manufacturing Further Upgrade of Core Algorithms

Investment in R&D related to the machine vision software platform and AI algorithm software has been the highest and has grown fastest. Technological innovation, particularly the advancement of AI technology, is providing new growth momentum for the industry.

In 2025, the Company upgraded its underlying AI capabilities, enabling intelligent upgrades of core tools, further addressing the “deep-water” challenges of industrial quality inspection and helping customers advance intelligent manufacturing.

An optimal visual algorithm solution balancing efficiency, accuracy, and robustness for industrial scenarios

- 170+ patents
- 10 modules of industrial application algorithms
- Nearly 200 algorithm tools
- 10,000 sets of vision systems deployed per year
- 1,000+ large-scale projects annually

Topic

AI-Driven Precision Assembly

In the 3C electronics sector, Luster LightTech has long been dedicated to advancing vision-enabled process innovation. We provide customers with fully proprietary vision systems covering critical processes including precision mounting, measurement, inspection, and laser processing—driving production lines toward automation, intelligence, and unmanned operation. Our solutions have been deeply embedded across consumer electronics manufacturing nationwide.

Launched in 2025, the VisionAssembly Pro intelligent assembly vision system was refined and matured against the demanding requirements of high-precision, fast-paced consumer electronics production lines. Leveraging AI algorithms and wizard-style interaction, the system distills complex vision engineering into standardized operations that line technicians can rapidly master. It supports multi-camera coordination to enable a closed-loop workflow spanning guidance, mounting, and re-inspection, while delivering sub-millimeter precision across diverse motion-control platforms—significantly enhancing assembly consistency and yield rates.

Equipped with lightweight AI and an intelligent imaging system, it autonomously adapts to challenging conditions such as reflective surfaces and scratches, ensuring stable and reliable positioning and code reading. Our proprietary nine-step precision diagnostic methodology rapidly identifies issues across the entire process chain, minimizes downtime, and safeguards long-term production stability.

Building on mature technical capabilities and deep domain know-how accumulated in the consumer electronics sector, the system has been successfully redeployed across precision assembly scenarios in lithium battery, automotive, and semiconductor industries—effectively reducing customers' overall manufacturing costs.

Topic

The Smart Printing Era: Machines in Sync

The aspiration for a better life is the fundamental force driving industrial production toward intelligent manufacturing. Demands for high-precision processing, personalized production, and zero-defect products have exceeded what manual operations can deliver, establishing machine vision and artificial intelligence as the core enablers of next-generation smart manufacturing.

In the printing industry, Luster LightTech provides integrated solutions spanning automated in-process inspection, final pre-shipment quality inspection, and intelligent big-data quality information management, enabling comprehensive printing defect detection. To date, thousands of our printing quality inspection systems have been deployed at customer sites and successfully introduced into international markets, substantially advancing quality and process standards across the printing industry.

At China Print 2025, Luster LightTech showcased full-process printing quality inspection solutions for smart factories, folding cartons, and roll-to-roll applications. On the opening day, CCTV News Channel spotlighted the digital transformation of the printing industry, reporting on Luster LightTech's use of "AI + Optics" technology to propel the industry's smart manufacturing evolution from "manual error spotting" to "AI-powered instant detection."

Taking the inspection of pharmaceutical cartons by Luster LightTech's VP8 AI vision inspection system as an example: by integrating large-model deep learning with 8K industrial camera optics, the system detects packaging defects on production lines operating at 13.3 meters per second during the inkjet printing process, with comparative analysis identifying flaws in just 8 milliseconds. Its predictive monitoring and early-error-warning capabilities prevent waste from repeated printing, vividly demonstrating the strength of China intelligent manufacturing.

Topic

AI-Powered Intelligent Vision: Pioneering the Next Frontier of Advanced Display

In the advanced display sector, Luster LightTech concentrates on intelligent vision inspection and end-to-end quality management, powered by the dual engines of high-precision optical inspection equipment and AI large models. This combination empowers the scaled mass production of frontier technologies including Micro OLED and flexible displays.

The SuperTrain-XMX Micro, a self-developed intelligent vision inspection system purpose-built for Micro OLED, integrates a proprietary 150-megapixel ultra-high-resolution imaging module with an embedded chromaticity detection system. It supports precision inspection of 4K panels at up to 5,000 PPI, achieves 100% defect traceability, and delivers a 30% boost in inspection speed alongside a 50% improvement in re-verification efficiency.

The BrittleMaster-DXN fully flexible module appearance inspection system features an all-flexible architecture compatible with complex geometries from 2D to 3D dual-curve, quad-curve, and irregular apertures. It compresses new-model commissioning cycles from 3 days to 4 hours, covers 100+ defect categories, and significantly reduces both false-negative and false-positive rates.

Moreover, leveraging the LusterLVM-2B vision foundation model, Luster LightTech has developed an industrial-scale AI model for module appearance inspection. Moving beyond the constraints of conventional rule-based algorithms, it enables precise ten-tier defect grading. By harnessing AIGC to synthesize defect samples, the model supports rapid adaptation across product models, production lines, and manufacturing sites, materially shortening new-line ramp-up periods and laying a robust foundation for intelligent quality manufacturing in the advanced display industry.

Topic

Enhancing Manufacturing Quality to Support Green Development

As the complexity of new energy manufacturing continues to increase, the requirements for intelligent inspection today are no longer limited to “detecting defects”; it is also necessary to answer further questions—from “what the defect is” to “why it occurs.” The Company integrates three types of information into a unified data framework: visual images (defects/morphology), process parameters (temperature, line speed, pressure, etc.), and battery physical properties (density, interface contact), enabling AI to truly understand the manufacturing process across modalities.
Taking lithium battery separator inspection as an example, defects can be subdivided into 27/32 categories and automatically mapped to process issues, enabling a single production line to save 2.5 labor positions, improve overall yield by 0.3%, and achieve an overall investment payback period of approximately one year.

The LUSTER GMQM+ LUSTERLVM large-model Solution has been deployed at scale among leading customers in lithium battery and photovoltaic industries, helping customers effectively manage inspection data and improve missed-detection indicators, while integrating green and sustainable development throughout the entire lifecycle of products and services. This Solution effectively reduces material waste during manufacturing, lowers repeated processing and rework caused by raw material issues, defective manufacturing modules, and manufacturing process problems, thereby reducing greenhouse gas emissions and enhancing sustainability in manufacturing processes.

Topic

Enabling Intelligent Manufacturing in the Automotive Sector

As automotive body structures become increasingly complex and glue path designs more refined, the shortcomings of traditional manual inspection—low efficiency and poor stability—have become increasingly evident, giving rise to the demand for high-precision and intelligent glue dispensing quality management.

LUSTER has launched a 2D inline high-precision automotive glue dispensing inspection solution that enables automated inline inspection and process control throughout the entire dispensing process. Integrating multi-scenario imaging, AI-based glue inspection, reflow glue replenishment, and rapid modeling tools, the solution accurately detects glue presence or absence, glue width, position, and continuity, achieving high-contrast imaging and real-time efficient inspection while comprehensively improving the stability and yield of the dispensing process.

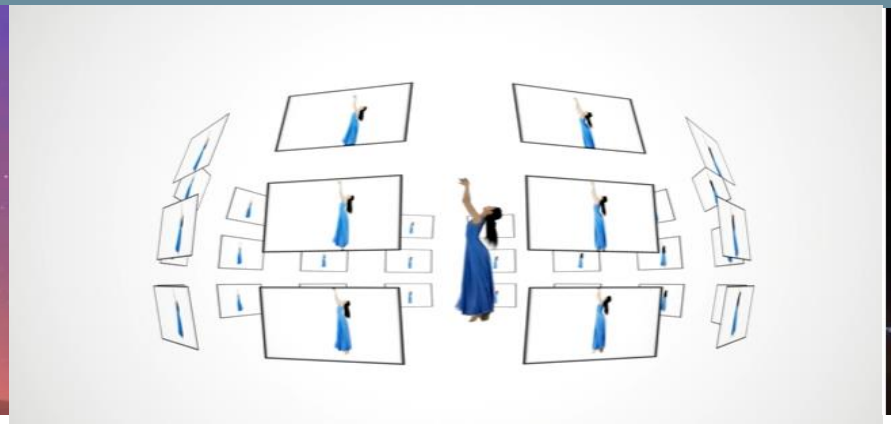
LUSTER's Solution	Traditional Solution
Adhesive width measurement ±0.1 mm	±0.5 mm or more
Position deviation ±0.1 mm	(Manual visual inspection)
800 mm/s inspection during application	Manual spot checks, taking 10–30 minutes
AI adhesive inspection, a detection rate of 99.8%	Reliance on experience, a missed detection rate >10%
Reduces labor costs by 60%, lowers rework rate by 80%	High labor costs and quality risks

Topic

"Dreamscape" at CCTV Spring Festival Gala: A Groundbreaking Debut

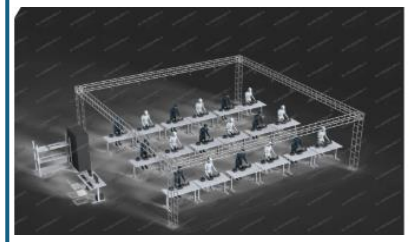
The 2026 CCTV Spring Festival Gala program "Dreamscape" (《梦底》) achieved an industry-first: the large-scale live broadcast of 4D Gaussian Splatting (4DGS) light field volumetric video. During the performance, actors shared the stage and interacted seamlessly across spatiotemporal boundaries with five sub-millimeter-precision digital avatars. Powered by 360° multi-view light field capture and modeling, the production faithfully reproduced body dynamics, hair texture, and micro-expressions, enabling flawless co-presence of real performers and their digital counterparts.

The technological backbone of this landmark delivery was the deep integration of Luster LightTech · Yuanke Vision's LuStage Volumetric Light Field Capture System with 4D Gaussian Splatting (4DGS). The solution realized 1:1 hyper-realistic motion capture, light field reconstruction, and 4K real-time rendering for performers—establishing a full-process, low-latency, high-reliability volumetric video pipeline. This marked the world's first 4K UHD 4D light field reconstruction live broadcast, filling a critical technological void in the industry for large-scale real-time light field volumetric video production.



Topic

FZMotion Motion Capture Enables Robot to “Walk” Toward Real-World Applications



The Company’s FZMotion motion capture system is applied in two stages—robot motion capture and factory acceptance testing. By 2025, it had been implemented in multiple robot enterprises and application bases, representing a typical practice of technology driving industry development.

The Hangzhou Humanoid Robot Pilot Test Base and Application Promotion Center is one of the projects implemented this year. In this project, LUSTER provides critical infrastructure support for embodied intelligence data acquisition as well as testing and evaluation. It not only supports data acquisition for both the robot “brain” and “cerebellum,” but also undertakes core functions for robot testing and performance evaluation.

At the Hangzhou Humanoid Robot Pilot Test Base, the Company has established a multi-station synchronous acquisition and management platform with an annual capacity exceeding 4 million data entries, supporting efficient training for multiple robot models.

Innovation Development System

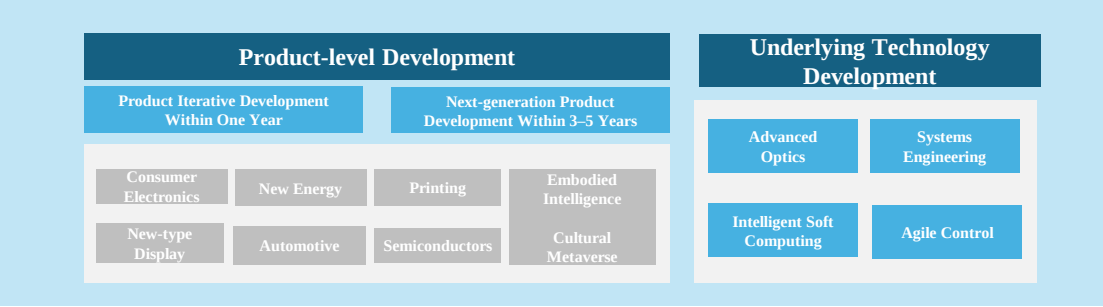
R&D Innovation Architecture

The industry in which LUSTER operates is characterized by strong technological innovation; therefore, establishing an R&D organizational system driven by customer needs and innovation is of critical importance. To balance the application needs of current product lines with next-generation requirements across different industries, while integrating and balancing both short- and long-term development objectives, the Company has established a three-tier R&D architecture comprising application product development, underlying technology development, and next-generation new business pre-research.

•**Application Product Development** Focus on customer pain points that can be implemented within one year, conduct agile iterations by product line, and achieve rapid monetization;

•**Underlying Technology Development** Led by the Research Institute to accumulate reusable optics, AI algorithms, and automation platforms, supporting core underlying competitiveness;

•**New Business Pre-research** Establish frontier innovation laboratories, jointly collaborating with universities, supply chain partners, and major customers under a 3–5 year roadmap. Annual dynamic elimination is conducted through technical Charter reviews to ensure that resources are concentrated on high-potential tracks.



The Company has simultaneously **released the IPD Development Process, Charter Development Management Measures, and Technical Review Operation Process, covering the entire product lifecycle**: IPD embeds TR1–5 reviews, plans, and responsible persons into the system, with automatic authority locking if a milestone is not passed, ensuring development quality; Charter quantifies customer pain points into implementable, step-by-step business plans, with a one-vote veto in reviews to prevent blind project initiation; the three R&D lines share the same templates and indicators, and the monthly LPMT meeting publicly discloses milestones, resources, and patent red-yellow indicators, with immediate adjustments upon a red signal, **ensuring that standards are effectively implemented, market orientation is maintained, and investments are rapidly monetized**.

Collaborative R&D

To **strengthen the deep integration of market demand, frontier technologies, and product applications, the Company actively builds a collaborative innovation system integrating industry, academia, and research**. As a leading organization and core participant, the Company conducts in-depth cooperation with top academic institutions and enterprises such as **Tsinghua University and Zhipu AI**, integrating frontier optics and natural language large models and other cutting-edge technologies with diverse application scenarios such as intelligent manufacturing and embodied intelligence, creating a series of exemplary collaborative benchmarks.

Meanwhile, **the Company has established strategic partnerships with leading customers across multiple industries to jointly tackle next-generation leading technologies and product solutions**. In terms of industrial ecosystem development, the Company, together with partners such as Foxconn, co-established the Zhongyuan Intelligent Manufacturing Research Institute to jointly address key challenges in industrial automation; it also jointly established Shenzhen Zhixian Robot Technology Co., Ltd. with Unilumin and Zhipu AI to build an innovation ecosystem for AI intelligent terminals integrating "intelligence, interactivity, and scenario adaptability," accelerating the implementation of "display embodiment" applications of intelligent agents in scenarios such as education, conferences, and cultural tourism.

Stimulating Innovation Momentum

To strengthen the driving force of R&D innovation, the Company has established a **three-dimensional R&D incentive system characterized by "real-time feedback, tiered incentives, and strategic focus"**. This system **is guided by the core orientations of platform-based technological innovation, leading product competitiveness, and commercialization of R&D achievements**, and through timely incentives across monthly, quarterly, and semi-annual cycles, it closely links individual contributions, team breakthroughs, and organizational capability development. Special incentives are established around the accumulation of core technological assets such as unified R&D environments, edge-side R&D platforms, and CBB module sharing, as well as commercialization breakthroughs including the reliability design of flagship products and productized revenue. Meanwhile, a negative constraint mechanism for the decisive elimination of "problematic products" has been established to direct resources toward strategic products, achieving an upgrade from "single-point technological breakthroughs" to "systematic innovation ability."

In the design of the incentive mechanism, two distinctive features are emphasized: **"knowledge accumulation" and "cross-departmental collaboration"**. With product development teams serving as the core incentive unit, departmental barriers are removed. Through a project management mechanism featuring tiered incentives, a combination of positive and negative incentives, and the implementation of the "four calculations" (estimate, budget, accounting, and final accounting), a complete closed-loop of **"technological breakthroughs—achievement transformation—process solidification—capability reuse"** is formed, continuously enhancing organizational capability maturity and R&D efficiency.

In 2025, timely incentives on the R&D side exceeded RMB 1 million.

Dimension	Core Orientation
Technological Platformization	① Improvement of R&D efficiency; ② Shortening of development cycles; ③ Product modularization and product library development
Product Competitiveness	Leading Reliability Design
Commercial Application	Validation of technological value through a revenue closed loop
Agile Decision-Making	Strategic focus and optimized allocation of resources
Organizational Capability	Experience extraction and process standardization

On-the-Job Training for Key R&D Positions

To further enhance the core competence of R&D in key positions, the Company organized PM (Project Management) specialized capability enhancement training and SR (Solution) professional capability training in 2025, establishing professional PM and SR teams.




R&D Process

The Company adopts the IPD (Integrated Product Development) process, with the core objective of achieving high-quality and high-efficiency product development and smooth commercialization of outcomes, and integrates management priorities throughout all stages including concept, planning, development, verification, release, and the entire life cycle stage. Through cross-functional team collaboration, multi-node technical reviews and decision reviews, the Company coordinates requirements management, cost control, quality assurance, and intellectual property planning, while linking market, manufacturing, and customer service functions to achieve closed-loop management across the entire process. This ensures product competitiveness and the achievement of business objectives, while also establishing a solid R&D governance foundation for sustainable development through standardized processes and collaborative mechanisms.

01 Concept Stage
Assess market opportunities and technological feasibility, and define the concept and initial plan

02 Planning Stage
Complete product design planning and formulate detailed development plans and resource allocation schemes

03 Development Stage
Complete detailed product design, development, and verification, and realize prototype development and low rate initial production

04 Verification Stage
Confirm readiness for product mass production and market launch through final testing and customer verification

05 Release Stage
Initiate product mass production, marketing, and sales, achieving the transition from development to maintenance

06 Life Cycle Stage
Optimize product operational performance and manage the entire process of product phase-out

Empowering Intelligent Manufacturing

R&D ESG Strategy

LUSTER adheres to the development principle of technology for good and industrial empowerment, using optical technology innovation as the underlying support to build a development framework centered on "Vision + AI." It establishes core competitiveness around technological autonomy, deep scenario adaptation, and sustainable operations, focuses on the core needs of intelligent manufacturing and the digital economy, and **integrates ESG principles into the entire business process to support green industrial upgrading, efficient social development, and enhanced governance capability**.

Industrial Sector: Deepening Intelligent Manufacturing to Promote Industry Cost Reduction and Carbon Reduction

- **The machine vision business applied in the industrial sector takes "quality improvement, efficiency enhancement, and consumption reduction" as its core objectives,covering the full product chain of "devices–systems–equipment–intelligent factories" and deeply integrating "visual perception + AI decision-making" capabilities, focusing on green and low-carbon development and efficient collaboration. Focusing on industrial sectors such as consumer electronics, new displays, new energy, printing packaging, automotive, and semiconductors, the Company provides leading customers across industries with precision inspection and production optimization services. By replacing manual operations with automated inspection, it improves production efficiency and product yield while reducing labor input and resource waste.**
- **A comprehensive four-tier product system has been established. Through the acquisition of JAI, the Company has strengthened its layout of high-end vision devices and built configurable vision systems, intelligent vision equipment, and intelligent factory solutions, helping enterprises realize intelligent upgrades of production processes.**
- **Leveraging the self-developed VisionWARE algorithm platform and the industrial general visual foundation model F.Brain, the Company has broken through bottlenecks in industrial inspection technologies, promoted independent and controllable core technologies, reinforced the bottom line of industrial security and technology compliance, and fulfilled technological responsibility at the ESG governance level.**

Yuanke Vision: Advancing Frontier Intelligence and Enriching Digital Service Scenarios

- Establishing a three-tier product architecture of "back-end elements – mid-end solutions – front-end applications," and leveraging core technologies such as high-precision optical motion capture and light-field modeling to develop products and solutions including XR virtual-real integration and digital humans, which are applied in scenarios such as cultural communication and e-commerce services, enriching digital service formats and supporting the innovative development of the cultural industry.
- With computational imaging and artificial intelligence technologies at the core, supporting the development of frontier fields such as virtual reality, immersive media, and embodied intelligence, and building the future intelligent ecosystem, while adhering to the bottom line of technology compliance and ethics, promoting the responsible application of frontier technologies, and fulfilling the social responsibility of technological innovation.

Optical Communications: Focusing on the Core Needs of AI Computing Power Infrastructure to Support the Efficient, Low-Carbon, and Secure Development of Digital Infrastructure

- Introducing high-end optical fiber devices and instruments from internationally leading enterprises, focusing on the high-end market with high barriers to entry and strong service demands, conducting agency business in compliance, serving optical communication industry–academia–research institutions and leading industry customers, avoiding homogeneous competition in the mid-to-low-end market, and building a compliant and efficient business model.
- Focusing on the core requirements of AI computing power infrastructure—"high bandwidth, low latency, and low power consumption"—and deploying next-generation optical communication products such as OCS all-optical switches and fully automated photonic wire bonding, helping digital infrastructure achieve energy conservation, reduced consumption, and efficient collaboration, and supporting the green and sustainable development of the digital economy.

2025 R&D Achievements

The Company continues to deepen its presence in the field of machine vision. In 2025, it intensively launched multiple innovative products serving various downstream sectors of industrial intelligent manufacturing, covering core scenarios such as consumer electronics, new energy, printing, and automotive industries. **The new products released in 2025 demonstrate three key characteristics: "high precision, intelligentization, and multi-scenario adaptability"**: on the one hand, breakthroughs have been achieved in key technologies such as sub-micron imaging, ultra-high-speed flying capture, and multispectral optics; on the other hand, AI algorithms are deeply integrated with independently controllable platforms, enabling a transition from traditional visual inspection to intelligent decision-making. This overall deployment reflects the determination to continuously promote the digital transformation and upgrading of the manufacturing industry.

The Company's new products replace manual operations through AI vision technology, improving manufacturing safety while enhancing production efficiency; resource waste is reduced through high-precision inspection, practicing green manufacturing; and governance and supply chain security is ensured through the development of autonomous and controllable platforms; **ESG principles and social responsibility are integrated into the entire lifecycle of product research and development to help customers achieve both economic benefits and enhanced social value**.

Typical New Products in 2025

VisionWARE Core Algorithm Platform

Product Introduction: Focused on AI-driven intelligent upgrading, the core tools have achieved the integration of "AI + rules," with positioning, recognition, and inspection success rates exceeding 99.99%, solving inspection challenges across multiple industries.
Social Value: Lowers the transformation threshold for industrial manufacturing enterprises and promotes the upgrading of the industrial chain.
ESG Value: Breaks through "bottleneck" constraints in industrial software, reduces supply chain security risks, and safeguards industrial data security.

JAI Sweep16K Line Scan Camera

Product Introduction: 16K resolution (3 × 16384 pixels, RGB lines), 100 kHz scanning rate, and 5 μm sensitivity
Social Value: Provides core inspection components for new energy industries such as power batteries, supporting the development of the clean energy industry and the transformation of the energy structure.
ESG Value: High-sensitivity imaging reduces repeated inspection frequency, and a low-power design lowers equipment energy consumption.

VisionPrint8 Intelligent Vision System

Product Introduction: Self-developed AI algorithms, high-speed inspection at 450 meters per minute, 0.08 mm defect recognition accuracy, applied in the packaging field
Social Value: Frees workers from high-intensity and highly repetitive manual visual inspection tasks, improves occupational health conditions, and enhances labor dignity.
ESG Value: Replaces traditional manual visual inspection, reduces printing waste and material loss, and lowers production energy consumption; high-speed inspection improves production capacity efficiency.

3D Module Appearance Testing Equipment

Product Introduction: Compatible with 2D/2.5D/3D/four-curved full-form factors, imaging consistency >99%, and defect detection rate increased to 99%
Social Value: Provides consumers with higher quality assurance and reduces product recalls and resource waste caused by quality defects.
ESG Value: Unifies quality inspection standards across multiple scenarios, enabling quality data connectivity across processes and factories, and enhancing transparency and traceability in manufacturing management.

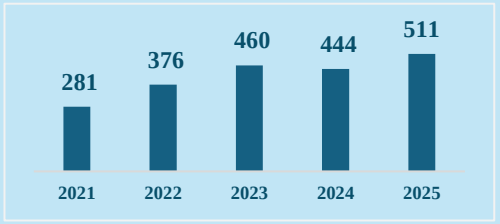
R&D Investment in 2025

In 2025, the Company's total R&D investment amounted to RMB 510.00 million, accounting for 17.46% of revenue

Cumulative Patents 895	Newly Granted Patents 139
Cumulative Invention Patents 484	New Invention Patents 93
Cumulative Utility Model Patents 379	New Utility Model Patents 44
Cumulative Design Patents 32	New Design Patents 2

2025 R&D Personnel	687
R&D Personnel as % of Total Headcount	36%
PhD Holders	1.46%
Master's Holders	41%
Bachelor's degree and below	57%

R&D Investment



The company prioritizes R&D investment, with a 5-year CAGR of 16%, focusing on core technologies and application development.

Newly Obtained Innovation Qualifications and Awards

In 2025, the Company continued to anchor its development on "Vision + AI", deepening its presence in industrial manufacturing sites while expanding into the embodied intelligence track. Products and services along both lines simultaneously gained strong customer reputation and social recognition. During the reporting period, **Suzhou LUSTER Industrial Intelligent Technology Co., Ltd. was recognized as a National High-Tech Enterprise and selected as a "2025 Innovative SME of Jiangsu Province"; Yuanke Vision and Yuanke Fangzhou were both recognized as a "Beijing Specialized, Refined, Differential and Innovative SME"**. The two major segments—intelligent manufacturing and embodied intelligence—received more than ten awards, demonstrating the Company's technological strength and growth potential.

Yuanke Fangzhou Specialized, Refined, Differential and Innovative SME

User Trusted Product Award of the Year

Beijing Typical Case of High-Quality Industry Dataset

Metaverse Industry Leader of the Year

Yuanke Vision Specialized, Refined, Differential and Innovative SME

2025 Embodied Intelligence Intelligent Application Benchmark Leadership Award

Beijing Typical Case of Artificial Intelligence Empowering Industry Development

2025 China XR Top 100 Enterprises

Participation in the Compilation of Industry Standards

LUSTER applies the real parameters, algorithm thresholds, and inspection processes generated from industrial artificial intelligence and embodied intelligence on production lines and training fields to the formulation of industry standards. Key elements—such as defect determination indicators for industrial large models and interface fields for digital twins—are first validated at customer sites before becoming general provisions. This approach of transforming practical experience into benchmarks not only helps industry peers avoid common pitfalls, but also converts the Company's first-mover advantage into a long-term competitive moat during its growth stage.

Refinement of Industrial Large Model Data, Multi-Industry Applications, and Successful Practices

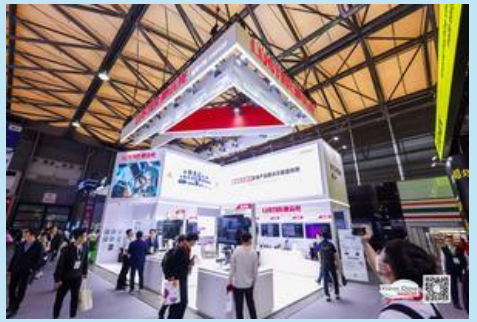
Compiled based on practical experience in digital twins across multiple scenarios including intelligent products, intelligent manufacturing, and intelligent operations

Participation in Industry Forums

At the 2025 Solid-State Battery Intelligent Manufacturing and Industry Chain Innovation Forum, LUSTER delivered a specialized report titled “Empowering Battery Evolution: A Full-Process Quality Inspection System Based on Multimodal + AI,” sharing the Company’s practices and explorations in the field of battery inspection.

LUSTER was invited to participate in the “Optical Network Forum for Intelligent Computing Centers,” where it delivered a Keynote Speech titled “Exploration of Optical Interconnection for Scale-Up Networks in Intelligent Computing Centers.” The presentation discussed forward-looking solutions for constructing optical interconnection in intelligent computing centers through the synergy of Optical I/O (Optical Input/Output) and Optical Circuit Switch (OCS) under the continuing expansion of AI large models, supporting interconnection of large-scale GPU clusters.

Yuanke Vision, a wholly owned subsidiary of LUSTER, was invited to attend the 2025 Second Zhongguancun Embodied Intelligence Robot Application Conference and delivered a Keynote Speech titled “Embodied Intelligence Solution Based on Motion Capture” at the forum, showcasing a series of new breakthroughs of Yuanke Vision’s high-precision motion capture technology in the field of embodied intelligence.



VisionChina

LASER World of Photonics China 2025

The 17th China International Battery Fair

CHINAPLAS 2025

Intellectual Property Protection

The Company has formulated various institutional policies, including the Patent Management Measures of LUSTER LightTech Co., Ltd., the Trade Secret and Sharing Management Measures of LUSTER LightTech Group, the LUSTER Trademark Management Measures, the LUSTER Computer Software Copyright Management Measures, and the Code of Legal Red Lines for Intellectual Property Rights. **The Company has established a systematic intellectual property management system and has deeply integrated patent management into its corporate sustainable development strategy**. A four-in-one organizational structure has been established, consisting of centralized management by the Legal Department, primary responsibility of the R&D departments, and coordinated support from human resource and finance, covering the full lifecycle management of patents—from annual indicator rules, technology mining and patent identification, three-level application, to rights maintenance and operational transformation—forming a standardized closed-loop process.

In terms of risk prevention and control, the Company has put in place a three-tier defense mechanism of “patent holder early warning + technical theme early warning + black-box component early warning”, advancing patent search and infringement risk assessment to the stage prior to product development freeze, and realizing the transfer of intellectual property risk within the supply chain through contractual clauses to ensure that technological innovation is lawful and compliant. Meanwhile, the Company has established a service invention ownership management system and a graded training empowerment system to strengthen employees’ awareness of intellectual property, enhance patent quality to drive core competitiveness, and support ts long-term value creation and fulfillment of social responsibility.

Product Quality Improvement

Quality Management System

Adhering to the quality policy of "Scientific Measurement, Benchmark Optimization; Seeking Truth from Facts, Continuous Improvement; Leadership by Example, Total Staff Responsibility; Creating and Realizing Customers' Dreams!", the Company strictly follows quality management specifications such as the "Product Inspection Control Procedure," "Supplier Management Control Procedure," "Nonconforming Product Control Procedure," "Delivery and After-Sales Service Control Procedure," and "Continuous Improvement Control Procedure." **A full-chain quality management system covering R&D, supply chain, production, and sales services has been put in place**.

The Company has set up a quality management structure with full participation from management to frontline employees, in which the President, the Executive Management Committee, the Quality Management Department, and heads of all departments are participants. On the one hand, the President, the Executive Management Committee, and the Quality Management Department jointly formulate the annual quality KPI; on the other hand, heads of all departments further break these down into quantifiable departmental indicators based on the actual conditions of their product lines. Frontline employees may provide suggestions through an employee feedback channel and propose targeted improvement recommendations, further enhancing the effectiveness of the closed-loop implementation of quality improvement.

In 2025, based on reviews of past quality issues, the Company clarified effective quality measures:

- First, **the electronic Quality Management System was launched**, covering digitization of quality data across all stages including the R&D process, supplier incoming material inspection and storage, production and manufacturing, and finished product delivery, thereby advancing the scientific measurement of quality and ensuring the traceability of quality issues;
- In addition, **the customer issue resolution process was optimized and simplified** to enhance the capability for rapid on-site customer response and improve problem-solving efficiency, and by comparing deviations between processes and execution, further correct execution practices that deviate from the process to ensure consistent implementation of the process;
- Finally, the Company further traced the root causes of issues occurring at customer sites **to fundamentally resolve the issues** from the R&D end **the supply chain end**, and supplemented and established a series of standardized systems and processes for R&D design, product lifecycle management and product development, thereby resolving quality issues at their root and achieving a closed-loop solution.

During the reporting period, LUSTER LightTech, LUSTER Industrial Intelligence, LUSTER Communications, LUSTER Vision, and Yuanke Fangzhou, among other entities of the Company, **passed the ISO9001:2015 Quality Management System certification audit**, continuously advancing the standardization of the quality management system.

Control of Nonconforming Products

The Company has consistently adhered to the principle of "developing the enterprise through quality," positioning quality as a strategic and operational priority. Multi-layer quality prevention and control measures have been established. When raw materials/components first arrive at the Company, in accordance with the "Product Inspection Control Procedure," **product quality is controlled through three major stages: incoming inspection, in-process inspection, and finished product inspection**, preventing uninspected nonconforming products from entering the stages of use, processing, and delivery.

Incoming Inspection

Incoming Inspection: cover procured and outsourced items, based on contracts, drawings, and acceptance criteria, verify quantity, appearance, and quality certificates; functional materials require testing, and after passing inspection they are entered into SAP for warehousing

In-process Inspection

During the production and processing process, inspections, measurements, or verifications are conducted in accordance with inspection procedures, relevant inspection standards, and other requirements. According to the inspection type, inspections are carried out through batch inspection, 100% inspection, sampling inspection, and other methods.

Finished Products Inspection

For the inspection of products in delivery/factory-release status, the Company requires inspectors to follow the finished products inspection standards. Products that pass inspection are warehoused by the warehouse.

For nonconforming products identified during incoming materials, production, and finished products/semi-finished products inspection, **a strict risk control defense line is established in accordance with the "Control Procedure for Nonconforming Products"**: **cases are reviewed according to severity classification to determine rework, repair, concession, or scrap**, and the written conclusion is communicated within 1 working day to the execution, warehousing, procurement departments to ensure timely isolation, identification, and disposal. The Quality Inspection Department compiles nonconformities data monthly, applies statistical tools to analyze trends and trace root causes, and formulates and verifies corrective and preventive measures; the results serve as the basis for evaluating product quality and quality management system performance and are reported as special topics at quality meetings. **Repeated and major issues are escalated for supervisory follow-up, forming a PDCA closed loop**, continuously optimizing processes and standards and reducing internal and external quality losses.

After-sales Service and Recall

To standardize all business processes related to the Company's after-sales services and clarify the work content, coordination, and responsible persons at each after-sales stage, the Company has formulated **the "Delivery and After-sales Service Control Procedure", which standardizes responsibilities for delivery, installation, training, on-site and off-site maintenance, and remote guidance**. Documentation and spare parts are prepared and delivered in place at the time of delivery; installation, training, repair requests, on-site and off-site services, and remote services are fully recorded. Engineers arrive on site according to the agreed schedule to troubleshoot issues, and missing parts are dispatched immediately when required. Customer service compiles service records monthly, implements immediate rectification and verification, and ensures timely and standardized services. **In 2025, the Company's product yield rate exceeded 99%, and the product recall rate has remained 0 for three consecutive years**.

Handling of Customer Complaints

In response to customer complaints, the Company standardizes the responsiveness of each level of issues through established systems and processes to ensure rapid response and resolution. Customer complaints are classified into three levels: fatal, serious, and general. Our policy stipulates that "**contact must be made within 1 hour, and both temporary and long-term solutions must be provided within 48 hours**". Responsible persons and escalation paths are clearly defined; all incidents generate work orders, and **closure requires acceptance and signature, with traceable records maintained at each stage**. Issues unresolved for more than four days are automatically escalated to the General Manager of the Business Unit or the Customer Service Director. The Quality Department conducts special supervisory follow-ups and extracts common defects monthly. The platform simultaneously tracks the closure rate, and CQE conducts follow-up visits for each case, forming a closed-loop improvement mechanism. **During the 2025 reporting period, the Company's customer complaint resolution rate was 100%**.

Customer Complaints

Graded Responsibility Assignment 1-Hour Response	Fatal, severe, and general issues correspond to clearly defined first and second primary responsible persons under the ITR management system; all levels require "contacting the customer within 1 hour after receipt" to ensure timely reassurance and capture of details.
Countermeasures Issued Within 48 Hours	For fatal and severe product technical issues, the CQE must provide temporary measures within 24 hours and deliver an "on-site temporary solution + long-term countermeasure direction" within 48 hours, with continuous progress updates.
Document Closed-Loop Clear Milestones	From ITR event creation, product technical issue handling tickets to customer requirement handling tickets, the entire process is traceable; closure is permitted only after acceptance signature to prevent unresolved issues.
Multi-Dimensional Escalation Dedicated Oversight	Fatal and severe issues unresolved for more than four days are automatically escalated to the General Manager of the Business Unit or the Customer Service Director; the Quality Department advances them through Special Topics and conducts regular audits until closed-loop completion.
Follow-up + Indicators Continuous improvement	The CQE conducts a satisfaction follow-up after event closure; the platform automatically calculates the "customer closure rate," and common defects are reviewed monthly to drive source-level optimization of products and processes.

Customer Satisfaction

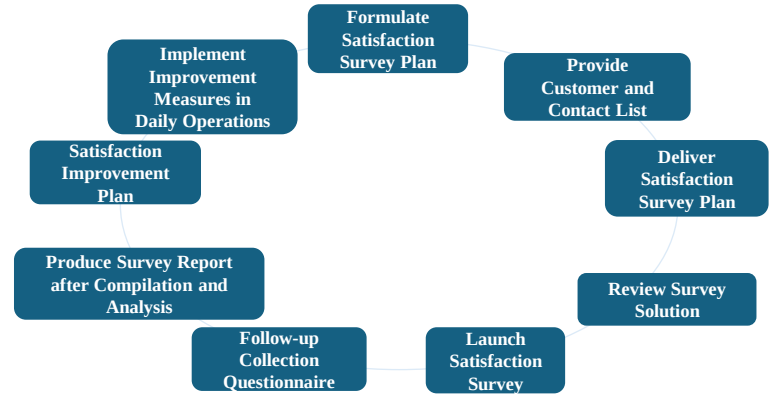
Through customer satisfaction surveys, the Company determines whether it has correctly understood and met customers' current and future needs and expectations, and continuously improves the quality management system based on the survey results to enhance customer satisfaction.

Customer Satisfaction Information

- Customer Needs and Expectations
- Customer Feedback on Product Quality, Delivery, and Services and Other Aspects
- Customer Complaint Information
- Market Developments of the Industry

Customer Satisfaction Collection Methods

- Customer Complaints and Feedback
- Proactively communicate with customers through visits, seminars, questionnaires, and other methods
- Conduct regular market research to collect relevant information from the market, government, industry, media, and other sources



Main Indicators	Unit	Achieved Data
Customer Satisfaction in 2025	%	91%

Co-creating a Value Supply Chain

Supply Chain Risk Management

In 2025, the Company, guided by ESG principles and aiming at "green and low-carbon development, safety and controllability, compliance and efficiency, and resilient collaboration," promoted ISC process optimization and established a "3+4" procurement management framework, advancing the supply chain from "efficient execution" toward "sustainable empowerment."

Core value processes focus on end-to-end efficiency and green control: SRM (supplier relationship management) integrates green screening and cultivation; STC category management promotes cost reduction and consumption reduction; PTP procurement fulfillment optimizes the process and reduces waste. Enabling processes strengthen strategic guidance and compliance assurance: procurement strategy anchors the sustainable direction, cost management balances control and green investment, contract management embeds ESG responsibility clauses, and operations management promotes digital transformation, forming a closed-loop system featuring strategic guidance, controllable risks, and green sustainability.

Risk control iteratively upgrades the "Procurement Risk Process", embedding ESG risks throughout the entire project lifecycle, identifying risks such as delivery quality, cost fluctuations, commercial fraud, and suppliers' environmental compliance and labor rights, and formulating prevention and control plans; the "Procurement Information Management Process" has been issued to standardize data security and authority management, thereby consolidating the governance foundation.

Digital development continuously optimizes the SRM system, incorporating ESG indicators such as green compliance, integrity in operations, and labor rights into supplier access and evaluation; **the renewal signing of the "Sunshine Procurement Agreement" and the "Supplier Integrity Management Agreement" was completed,** strengthening integrity governance; new agreements for human resource suppliers covering technical services, labor dispatch, and labor outsourcing were introduced to clarify compliant employment requirements. Through the improvement of digitization and compliance systems, risks are eliminated at the source, promoting the green and intelligent transformation of the supply chain, driving upstream and downstream partners to jointly practice ESG principles, and achieving coordinated development.

Supplier Access

LUSTER's supplier admission management centers on the concept of sustainable development and an all-dimensional screening mechanism featuring "qualification compliance, controllable quality, environmental friendliness, integrity and transparency" has been established.

Access Evaluation

A cross-department review team is formed to conduct comprehensive scoring across five dimensions—technology, quality, responsiveness, delivery, and cost. Based on industry leadership and cooperation scale, suppliers are classified into five levels: S/A/B/C/D. Suppliers with outstanding ESG performance are given priority for inclusion in the strategic supplier system.

Agreement Control

Three core documents—"Integrity and Clean Conduct Agreement," "Environmental and Safety Agreement," and "Procurement Confidentiality Agreement"— are signed to clarify compliance responsibilities including business morality, information security, waste management, and work safety. Major negative issues are subject to a one-vote veto.

Qualification Requirements

Priority is given to enterprises certified under the ISO9001 Quality Management System and ISO14001 Environmental Management System; special operation personnel must hold valid certificates; forced labor and workplace discrimination are prohibited; and suppliers must possess intellectual property confidentiality capabilities.

Procurement Risk Assessment

Supplier Evaluation

The Company has established a comprehensive, closed-loop supplier management and evaluation system aligned with ESG sustainable development requirements, **achieving standardized, green, and compliant management and control of suppliers throughout their full lifecycle across four key stages: evaluation, audit, improvement, and exit**, continuously enhancing the ESG performance and sustainable operational capabilities of the supply chain ecosystem. The Company adopts technology, quality, service, delivery schedule, and cost as core evaluation dimensions and establishes a regular graded assessment mechanism, integrating ESG fundamental requirements such as environmental compliance, integrity in operations, and responsible contract fulfillment into evaluation indicators. Through quantitative scoring, suppliers are classified into four evaluation levels from A to D to ensure objective and fair supplier performance evaluation. Meanwhile, **a normalized audit mechanism is established** to comprehensively monitor suppliers' actual performance in production and operations, environmental practices, and labor compliance. For issues identified during evaluation and audits, the Company has established a dedicated supplier improvement mechanism, **conducting interviews and communication with suppliers rated C or below** to clarify improvement directions and rectification timelines at both ESG and operational levels, supervising the implementation of corrective actions and tracking verification of improvement outcomes to promote continuous enhancement of suppliers' sustainable supply capabilities. The Company strictly implements a supplier exit mechanism, **taking measures such as suspension of orders or termination of cooperation for suppliers that continuously fail assessments or have major ESG compliance issues with ineffective rectification**, thereby eliminating risk hazards at the source of the supply chain and safeguarding the supply chain's green, compliant, stable, and resilient operations.

Supplier Training

In 2025, the Company continuously carried out supply chain training, focusing on building sustainable competitiveness with the core objectives of "zero defects, zero waste, and zero risk." The training required suppliers to **establish a full lifecycle quality traceability system**, from controlled drawing access in the SRM system to 100% OQC inspection by fixed personnel prior to shipment, ensuring that data are authentic and traceable and that processes are transparent and controllable; **lean manufacturing standards were implemented, increasing the yield target to above 98.5% through full inspection of key dimensions, regular equipment calibration, and process error-proofing design, thereby reducing resource waste and carbon emissions caused by rework and scrap at the source;** the Company further strengthened business morality and compliance governance, strictly prohibiting unauthorized changes and falsification, and **implementing full coverage of integrity agreements together with a one-vote veto blacklist system**; a two-way empowerment mechanism was established, investment in supplier employee capability building was made through the "Quality Guardian Award," incentivizing continuous improvement through preferential order allocation via the "Quality Benchmark Award." Ultimately, these measures drove suppliers to shift from passive compliance to proactive value creation, achieving coordinated optimization of quality, cost, delivery, and sustainability.

Key Indicators	Unit	Achieved Data
New Suppliers Added in 2025	/	480
Suppliers Audited	/	48
Supplier Training Sessions	/	21
Signing Rate of Supply Chain Integrity Agreement	%	95

Supply Chain Security Management

To effectively maintain supply chain security and stability and consolidate the supply chain foundation for sustainable operations, the Company centers on ensuring autonomous and controllable supply chains, resilient risk resistance, and compliant sustainability. Through diverse measures including the formulation of supplier procurement strategies, coordinated advancement of supply chain collaboration initiatives, and investment and mergers and acquisitions in key supply chain segments, the Company has established a full-chain, multi-level supply chain security management system. From source control, collaborative empowerment, and core capability mastery, the Company strengthens support capacity for supply chain security across multiple dimensions, promotes the deep integration of the supply chain ecosystem with ESG development, and comprehensively safeguards supply chain security.

Supplier Procurement Strategy

Focusing on the core objective of supplier security management, the Company has established a full-process, multi-level, and dynamic security strategy within the procurement process to ensure the safety and stability of the supply chain. For suppliers in high-risk categories such as long lead-time materials, sole-source supply, and U.S.-related materials, the Company has established a multi-scenario triggered risk identification mechanism; centering on security dimensions including quality, delivery, compliance, and integrity, procurement representatives take the lead and work with a cross-departmental review team to conduct comprehensive identification and quantitative grading, strictly controlling the proportion of high-risk suppliers.

A professional review team is established to conduct three-dimensional quantitative assessments of supplier-related risks, formulate practical control plans for different security risk levels, and provide primary and backup dual solutions for core risks. Through measures such as developing second- and third-tier suppliers, optimizing the supplier structure, and signing long-term agreements, the Company mitigates security risks at the source, including single-source supply, delivery delays, and quality fluctuations.

The execution of contingency plans is managed throughout the entire process through "weekly tracking and monthly review." Based on changes in the market, policies, and supplier conditions, plans are optimized in a timely manner, cross-departmental risk coordinators are designated to strengthen collaboration, and emergency response mechanisms are activated for force majeure events, thereby comprehensively preventing the transmission of supplier security risks and reinforcing the defense line for supply chain security.

Supplier Collaboration Innovation

In 2025, the Company successfully held its first Supplier Conference, establishing a benchmark for supply chain collaboration through award selection and deepening cooperation loyalty with core suppliers; taking this opportunity, it officially launched the supplier collaborative project initiation initiative, positioning collaborative project initiation as an important measure for supply chain security management, and planning ten collaborative directions across four dimensions: technological innovation, quality improvement, efficiency enhancement and cost reduction, and overseas promotion delivery, with projects covering key supply chain security areas such as computing power innovation, cost reduction and efficiency improvement, and localization; through deep collaboration of technologies and resources across the upstream and downstream of the supply chain, the Company strengthened the supply chain's self-reliance and controllability as well as its resilience and risk resistance, consolidating the foundation of supply chain security from the perspective of innovation collaboration and supporting the sustainable development of the supply chain ecosystem.

Investments and M&As Drive Self-Reliance and Controllability

To ensure supply chain continuity and security, the Company has arranged core upstream links of machine vision through "in-house R&D + M&A + investment": at the beginning of 2025, the Company officially completed the acquisition of the internationally renowned machine vision company JAI, supplementing its camera product line; in the chip field, we successively invested in Gpixel, Jue Xin Microelectronics, and AINSTEC, strengthening the self-reliance and controllability of core components; in the lens field, the Company invested in CHIOPT to customize and develop high-precision industrial lenses. Through investments and acquisitions in key links such as chips, lenses, and cameras, the Company has effectively enhanced the self-reliance and controllability of its supply chain, strengthened supply chain resilience and security, and laid a solid foundation for sustainable development.

Equal Treatment of SMEs

The Company has established a standardized and transparent supplier payment management system covering the entire process of reconciliation, review, and execution; in practical implementation, the Company actively reduces the occupation of suppliers' credit, effectively lowering the discounting costs for small and medium-sized enterprises; large-amount and off-plan payments are strictly approved in accordance with authorization procedures, dynamically adjusted in line with fund conditions and communicated with suppliers, maintaining the healthy cash flow of partners and achieving mutual benefit and win-win outcomes.

Building a Compliance Ecosystem

The Company has established a sound corporate governance structure and set up a dedicated ESG Committee to optimize its governance framework. It continuously improves the remuneration, risk control, and information disclosure systems, strictly adheres to business ethics, strengthens anti-bribery and anti-corruption efforts, and reinforces the defenses for data security and privacy protection, thereby building a compliant governance ecosystem.

Strengthening Corporate Governance

Shareholder Equity Protection

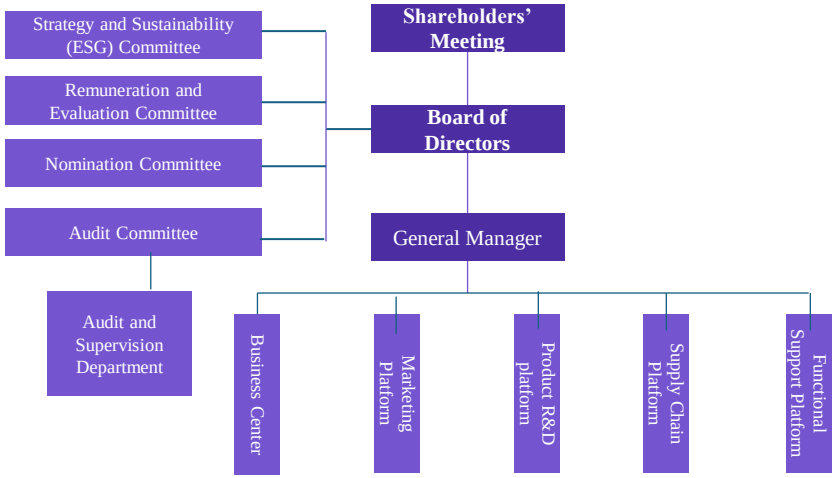
Adherence to Business Ethics

Data Security and Privacy Protection

Strengthening Corporate Governance

The Company strictly complies with the requirements of laws and regulations and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*. It has established a core governance structure composed of the Shareholders' Meeting and the Board of Directors, and has set up under the Board of Directors the Strategy and Sustainability (ESG) Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee to assist the Board of Directors in decision-making, thereby forming an operational mechanism with clearly defined powers and responsibilities as well as coordination and checks and balances. To further enhance the Company's environmental, social, and governance (ESG) management level and strengthen its sustainable development capability, **the Company adjusted the former Strategy Committee into the Strategy and Sustainability (ESG) Committee in January 2025, so as to strengthen the penetrating management of sustainable development issues**. In accordance with the *Guidelines for the Articles of Association of Listed Companies* (2025 Revision), **the Board of Supervisors was abolished, and its functions were undertaken by the Audit Committee**. Through the embedded supervision of the Audit Committee within the Board of Directors, the Company has realized a shift from "ex-post supervision" to "full-process risk control." Relying on the professionalism and independence of the Audit Committee members, the direct oversight of the Board of Directors over financial health, internal control, and compliance governance has been further strengthened.

Governance Structure



Meeting Type	Shareholders' Meeting	Board of Directors	Board of Supervisors	Strategic and Sustainability(ESG) Committee	Audit Committee	Nomination Committee	Remuneration and Evaluation Committee
Number of Meetings Held	4	12	5	2	8	1	1
Proposals Reviewed	29	59	25	6	30	1	2

Strengthening Governance Measures

To further enhance the effectiveness of corporate governance, **the Company systematically formulated and updated more than 20 core management systems in 2025.** Regarding the disclosure management of sensitive information such as state secrets and commercial secrets, the Company newly formulated the "Information Disclosure Suspension and Exemption Business Management System," providing clear rules and a sound basis for the disclosure of sensitive information; meanwhile, it formulated the "Termination Management System for Directors and Senior Management," which clarifies the boundaries of rights and responsibilities for departing personnel and establishes a complete closed-loop management mechanism for key positions.

At the institutional implementation level, the Company strictly complies with the requirements of laws, regulations, and the Articles of Association, and **continuously strengthens the procedural control of related-party transactions and safeguards for the performance of duties by independent directors**. On the one hand, the Company strictly controls related-party transactions. During the deliberation of major matters such as the Proposal on Confirmation of the 2024 Related-Party Transactions and the Estimated Quota for 2025 Daily Related-Party Transactions and the Proposal on External Investment and Related-Party Transaction by a Wholly-Owned Subsidiary, the mechanism requiring related directors to abstain from voting was strictly implemented to ensure fairness, openness, and impartiality in decision-making. On the other hand, in order to meet the new governance requirements following the adjustment of functions of the Board of Supervisors, the Company has fully activated the supervisory effectiveness of independent directors and effectively strengthened the internal supervision defense line by enhancing compliance training, optimizing supervision processes, and improving support for the exercise of powers.

Composition of the Board of Directors

The composition of the Company's Board of Directors demonstrates a high degree of diversity: in terms of gender, there are seven male directors and two female directors; the age distribution spans three ranges—40–50, 50–60, and over 60—showing a balanced proportion; and professional backgrounds cover multiple fields including market, technology, accounting, law, and economy.

Among the members of the Board of Directors, external directors account for 56%, and independent directors account for 33%. This diversified and highly independent governance structure effectively ensures the scientificity and fairness of governance decision-making and significantly enhances the overall competence and comprehensive governance level of the Board of Directors.

Members of the Board of Directors	Position	Strategic and Sustainability Committee	Audit Committee	Nomination Committee	Remuneration and Evaluation Committee
Yao Yi	Chairman of the Board and General Manager	√			
Wang Wentao	Vice Chairman of the Board and Deputy General Manager			√	√
Yang Yi	Director and Deputy General Manager				
Zhao Yan	Director and Deputy General Manager	√			
Wu Xi	Director		√		
Xu Xingren	Director				
Wang Kun	Independent Director		√	√	√
Xi Xiaohong	Independent Director		√	√	√
Sun Fuchun	Independent Director	√			

Executive Remuneration Management

The Company implements a performance-oriented remuneration mechanism for internal directors, which is strongly linked to the economic environment, operating results, and individual assessments, and is dynamically evaluated and adjusted on an annual basis. **The remuneration structure adopts a dual model of "base salary + long-term incentives," establishing a community of shared interests and shared risks between shareholders and the core management team**, guiding the Board of Directors to balance short-term performance with long-term strategy, driving sustainable value creation, and effectively safeguarding shareholders' interests and the Company's long-term sustainability.

Enhancing Risk Management

The Company has established a comprehensive risk control system featuring embedded compliance and penetrating risk management, implementing a "process owner + controller" dual-track system to reinforce accountability and achieve full-chain monitoring across 19 business processes. Prior to operations, safeguards are established through segregation of incompatible duties and tiered authorization and approval; during operations, dynamic early warning and evaluation are conducted at key nodes such as funds, procurement, and R&D; after operations, traceable accountability is ensured through inventory checks, audits, and archiving. Focusing on four major risk areas—strategic decision-making, fund security, supply chain, and R&D outcomes—the Company has formed a closed-loop mechanism of "objectives–identification–control–supervision" to ensure compliant operations and asset security.

Tiered Authorization and Clear Allocation of Responsibilities and Powers

- **Tiered Approval**: A five-level approval system of the Board of Directors – President – Vice Presidents in Charge – Department Directors is established, with tiered authorization implemented according to transaction amount and the nature of the matter.
- **Collective Decision-Making**: All major decisions must be collectively reviewed by the Strategy Committee and the Operations Management Committee, achieving a balance between collective decision-making and individual accountability.

Segregation Mechanism for Incompatible Duties

- **Segregation of Duties**: In the full process of funds, procurement, inventory, R&D, and other operations, incompatible positions such as application/approval, execution/supervision, and custody/accounting are mandatorily segregated.
- **Dual-Responsibility Mechanism**: Each process clearly designates a process owner and a process controller, responsible respectively for process operation and process supervision.

Risk Identification and Assessment Mechanism

- **Ex-Ante Risk Assessment**: Risk assessment reports are mandatorily required at key stages such as project initiation, procurement, and outsourcing.
- **Multi-Dimensional Review**: Multiple departments involving technology, quality, finance, and legal affairs participate in professional reviews to form review opinions.

Process Supervision and Control

- **System-Embedded Process Control:** Process standardization and automated control are achieved through systems such as SAP, CRM, OA, and PLM.
- **Regular Inventory Verification:** Regular and repeated inventory checks are conducted on cash, inventories, and shareholder assets.
- **Identification of Key Control Points:** Key control points are clearly marked in the flowchart to strengthen control over critical stages.

Information Transparency

LUSTER has established a dual transparency mechanism of "internal coordination as the foundation and proactive external disclosure", systematically enhancing the quality of information disclosure. Internally, the Company strengthens cross-departmental responsibility matrix management for information disclosure, incorporating key departments such as finance, investment, and legal affairs into a unified responsibility system to promote systematic management of key matters and real-time information synchronization, while providing targeted compliance training to improve the quality of information generation and response efficiency at the source;

Externally, the Company proactively increases voluntary disclosures on the basis of compliance and, beyond statutory announcements, **actively promotes voluntary information disclosure. Throughout the year, multiple voluntary announcements were issued, covering categories such as quality and efficiency improvement with enhanced shareholder returns, listing of invested shareholding companies, ESG reports, establishment of industrial funds, and share repurchase progress, enabling investors to gain a comprehensive understanding of the Company's operational dynamics and development trajectory.** Meanwhile, the Company continues to deepen innovation in information disclosure formats by adopting visual approaches such as "One-Chart Overview" to interpret periodic reports, lowering the threshold for investor understanding and enhancing the readability of information.
This mechanism drives the Company to achieve a critical transformation **from "passive compliance" to "proactive value delivery"**—through internal process reengineering and the institutionalization of technical systems, breaking down information barriers among departments so that voluntary disclosure is no longer limited to occasional actions but is internalized as an organized and process-driven routine operation.

Protection of Investors' Rights and Interests

The Company attaches great importance to investor relations management and is committed to establishing long-term, stable, and mutually trusting relationships with investors. The Company strictly complies with *The Company Law*, *The Securities Law*, *The Measures for the Administration of Information Disclosure by Listed Companies*, and other laws and regulations, **and in August 2025 further refined and updated the Investor Relations Management System of LUSTER LightTech Co., Ltd.**, ensuring that information disclosure is truthful, accurate, complete, and fair, and proactively disclosing information that is conducive to protecting the legitimate rights and interests of investors.
The Company advocates diversified forms of communication with investors, **adheres to the principles of "compliance, equality, proactiveness, honesty, and trustworthiness"**, and conducts non-discriminatory communication with institutional and individual investors through multiple channels including performance briefings, special briefings, roadshows/reverse roadshows, telephone communication, investor hotlines, SSE E Interaction, and shareholders' meetings. Meanwhile, the Company actively participates in seller strategy conferences, organizes field surveys and reverse roadshows, and, through media platforms such as the official website and the WeChat official account, promptly conveys its latest developments in development strategy, operating conditions, and financial performance to investors, gaining a deeper understanding of investor demands, enhancing investors' understanding and recognition of the Company, effectively improving its credibility, and safeguarding the legitimate rights and interests of investors.

Investor Relations Performance Indicators	Unit	Achieved Data
Large-scale Public Briefings	/	3
Small-scale Investor Communication Meetings	/	100+
Annual Number of Investors Received	/	850+
Investor Hotline Answering Rate	%	100%
Answering Questions in Easy Interaction	/	86

Measures for Protection of Investors' Rights and Interests

In order to further strengthen its investor relations management and protect investors' rights and interests, the Company carried out a series of activities, training sessions, and practical initiatives for protecting investors' rights and interests in 2025:

Share Repurchase + Dividends

Share Repurchase: As of the end of 2025, the Company had cumulatively repurchased 8.87 million shares, with a total repurchase amount of RMB 191 million; in 2025, 300,000 shares were repurchased with a repurchase amount of RMB 11 million.
Dividends: Since its listing in 2022, the Company has distributed dividends for three consecutive years exceeding 30% of the net profit for the respective year (including share repurchases)

Cancellation of Repurchased Shares

Implementation Purpose: To enhance earnings per share and effectively increase investor returns
Number of Shares Canceled: 2.52 million shares, accounting for 0.54% of the total share capital before cancellation 0.54%

Non-reduction Commitment

Committing Parties: Yao Yi, the controlling shareholder, the actual controller and Chairman of the Board, and Ms. Yang Yi, the actual controller and director, committed that, starting from July 7, 2025, they would not transfer or reduce their shareholdings in any manner within the following 12 months.
Shares Involved: A total of 223.78 million shares

Quality, Efficiency and Returns Improvement

In 2025, LUSTER implemented the "Quality, Efficiency and Returns Improvement" initiative, adopting a dual-driver approach of endogenous R&D innovation, and external investments and M&As, promoting quality and efficiency improvement in its core business through industry–finance synergy, while coordinating the dynamic balance between performance growth and shareholder returns.

Shareholder Dividend Return Plan for the Next Three Years

Annual cash dividends ≥10% of the distributable profit for the year
Target of cash dividend policy: stable growth of dividends
Three exceptions: non-standard audit opinion, asset-liability ratio >70%, negative operating cash flow

Adherence to Business Ethics

The Company adheres to business ethics and maintains a "zero tolerance" stance toward corrupt practices. The Company has established a comprehensive system including the "Code of Employee Business Conduct" and the "Anti-Fraud Management System," which cover all employees and suppliers; the Audit and Legal Affairs Department has established six dedicated functions including fraud investigation and exercise-of-authority supervision, and has strengthened preventive measures through mandatory signing of Integrity Commitment Letters and regular special inspections. **During the reporting period, the Company had no violations of laws or regulations such as embezzlement, bribery, or anti-monopoly violations, nor was it subject to any related penalties.**

Anti-Corruption and Anti-Bribery

In 2025, the Company **focused its anti-corruption and anti-bribery efforts on two aspects: special audits and compliance audits**. In terms of special audits, the Company initiated special audits covering investment and M&A projects, non-labor expenses, engineering audits of the Taihu Base, and departure audits of management and key personnel; meanwhile, it completed the preparation and release of Compliance Audit Report related to the 2025 raised funds, Annual Report, and ESG Report, thereby effectively fulfilling its listing compliance obligations. Upholding the core principle of "promoting improvement through audits," the Company generally safeguards sound and compliant development by clarifying facts, pursuing accountability, and improving internal controls.

In 2025, the Company **strengthened anti-corruption efforts by establishing an integrity and compliance system**: **10** integrity promotion and training sessions were completed, covering **more than 400 person-times**, with all cadres and employees at the Taihu Base signing Integrity Commitment Letters; pre-appointment investigations and admonition interviews for cadres were implemented, and compliance risks were incorporated into KPI assessments; the BCG Code of Conduct, Sunshine Agreement, and other institutional policies were comprehensively updated and company-wide examinations were organized; the supplier integrity management system was upgraded, adding preventive actions for default risks, etc.

Whistleblowing Process and Whistleblower Protection

LUSTER has established a comprehensive protection system for whistleblowers: three reporting channels—telephone, email, and mail—are provided and publicly disclosed on the Group's official website, the Company's OA system, and procurement agreements; a substantial reward mechanism is implemented, granting RMB 500–2,000 upon verification, with an additional reward of 5%–20% of recovered losses up to a maximum of RMB 100,000; strict confidentiality is maintained throughout the entire process, with rigorous control over access to investigation information and a strict prohibition on disclosing any information to the reported individual or unrelated third parties.

Anti-Unfair Competition

LUSTER strictly adheres to legal and regulatory red lines and rigorously standardizes business conduct on the basis of anti-corruption. The Company builds differentiated competitiveness through core technologies and insists on winning the market through continuous innovation and efficiency improvement, firmly opposing unfair competition. In terms of intellectual property protection, the Company not only safeguards its own rights but also fully respects the achievements of others to avoid infringement. **No incidents of unfair competition or intellectual property infringement occurred throughout 2025**.

Risk Management

LUSTER has established a comprehensive risk governance structure with clear responsibilities: the General Manager oversees overall decision-making, the President's Office leads identification, assessment, and solution planning, and each business department assumes primary responsibility for execution, forming a governance model of "top-level leadership and cross-departmental collaboration." This system deeply integrates risk management into the entire process of the Group's strategy, operations, and compliance, covering all business divisions and subsidiaries. Through quantitative assessment, dynamic monitoring, and regular review mechanisms, it achieves closed-loop risk management, with particular emphasis on strengthening compliance risks of listed companies, tax risks, and operational risk control, ensuring compliance in major matters and systematically enhancing the Company's corporate governance capabilities and sustainable development capacity.

Data Security and Customer Privacy Protection

Information Security Risk Prevention and Control

In response to major information security risks (unauthorized access, data tampering, virus attacks, and external intrusion), the Company has established comprehensive management systems across multiple dimensions including account permissions, terminal protection, network isolation, security awareness, and internet usage behavior to ensure the security of information assets. During the 2025 reporting period, **the Company recorded 0 information leakage incidents and completed 39 continuous vulnerability remediation cases**.

Account Control and Protection	Implementation of authorization approval, regular password updates, separation of system/database administrator responsibilities, and periodic spot checks and supervision of operation logs
Terminal Security Protection	Mandatory installation of anti-virus software, regular virus scanning and virus alerts to prevent damage from malicious software
Network Isolation Protection	Physical and logical isolation between production and office environments, firewall configuration with minimum port permissions, and regular inspections of network configurations
Internet Usage Behavior Management	Prohibition of unauthorized dial-up internet access and non-authorized connections, restriction of high-traffic downloads, and activation upon approval only when required for work

Information Security Training

The Company has established a normalized information security training mechanism covering all employees. By organizing special topics training and dynamically updating training content related to network security and data protection, we respond to evolving risk situations, combining with training sign-in and assessment mechanisms to ensure timeliness, continuously enhancing employees' information security awareness and operational compliance.

Key training content in 2025: **Anti-phishing Special Campaign**: warning education was conducted through real phishing email cases (such as abnormal links http://.xx+.co) to enhance employees' capability to identify and prevent phishing attacks; **IT Service Self-Service Enablement**: the "LUSTER IT O&M Service Day" was launched, and the IT Tutorial Center website was officially introduced, integrating tutorials for high-frequency IT service scenarios such as VPN/email configuration, SAP installation, and Yisaitong encryption, enabling self-learning and reducing security incidents caused by operational errors. The security awareness training in 2025 covered all employees of the Company.

Customer Privacy Protection

The Company has established a privacy protection system through systematic and multi-level prevention and control measures: Information Classification Management classifies all Company information into four levels based on importance, with corresponding permissions, watermarks, and archiving requirements configured accordingly, and highly confidential materials require special approval and must be used after masking; Storage Security Management implements unified storage permissions, strictly prohibits employees from processing trade secret information on personal computers, applies network isolation to R&D personnel, and ensures that equipment used by senior management is centrally managed by the Information Technology Department; Key Area Protection establishes access control systems in critical locations, where external personnel and non-invited employees are prohibited from entering without permission, under the centralized management of the Administrative Management Department; Information Sharing Control establishes a unified sharing system, under which system administrators allocate application permissions, a document sharing platform is established, and departmental access permissions are set according to confidentiality levels.

Information System Upgrade

During the reporting period, **the Company continuously advanced digitization and intelligent development, focusing on leveraging technology to deeply empower business development and organizational operations**. At the operational execution level, by deploying "digital employees RPA" technology, the Company successfully realized the automated processing of high-frequency business process such as financial invoicing, business opportunity acquisition, and procurement payment applications, significantly improving operational efficiency while promoting the transformation and upgrading of the human resource structure from traditional labor-intensive to knowledge-contribution-oriented. In addition, to strengthen service support for the four major middle-office platforms,

the "Digital BI Project" was successfully implemented, launching 11 categories of data kanban to provide real-time and accurate data support for operational decision-making, continuously enhancing management efficiency and organizational resilience. At the professional business level, with the Manufacturing Operations Management (MOM) system, Shouhoubao, TeamCenter, and the asset management system as the core, the Company has established a digital system that covers the entire product lifecycle as well as the full process of manufacturing and services. Through technology integration and process optimization, practical experience and management rules have been consolidated into standardized and reusable digital solutions, effectively promoting production transparency, service standardization, and refined operations, thereby laying a solid system foundation for the Company's high-quality development.

Fostering a Win-Win Culture

The Company practices ESG principles by establishing a standardized employee employment and compensation system, deepening tiered and categorized training as well as on-the-job training for key positions. It strengthens the occupational health and safety defense line, implements work safety and R&D safety management, safeguards employee rights and interests, enriches forms of employee care, and builds a diverse and inclusive workplace ecosystem.

Employment & Remuneration

Employee Development

Employee Health and Safety

Protection of Employee Rights and Interests

Employment & Remuneration

Employee Employment

The Company deeply practices the ESG philosophy by organically integrating compliance governance, social responsibility, and sustainable operations throughout the entire talent strategy chain: building an institutionalized governance system on the basis of labor laws and regulations, **ensuring fairness, impartiality, and openness throughout the entire recruitment process through an avoidance mechanism, standardized assessments, and a dual-track responsibility system**, with full transparency in job requirements, hiring standards, and evaluation rules. The interview stage adopts multidimensional cross-evaluation and collective decision-making to eliminate human interference and opaque operations, thereby consolidating the foundation of employer trust through transparent governance; **strictly prohibiting the employment of child labor**, establishing multiple risk control mechanisms such as academic credential verification and eligibility review for fresh graduates, and **standardizing internship agreements and subsidy standards to safeguard the legitimate rights and interests of young people**. The Company practices a two-way selection mechanism and prioritizes the activation of internal talent, broadens employee career development channels, and promotes employment fairness and diversity and inclusion; through planned recruitment, it scientifically plans the talent structure, optimizes resource allocation efficiency, and shortens recruitment cycles to reduce operational energy consumption. **By internalizing social responsibility into its organizational DNA, the Company builds a trustworthy and sustainable employer brand**, achieving a symbiotic and win-win outcome between corporate development and social value.

In 2025, the Company continuously introduced new talent from society and universities, **providing 350 new job positions**. In 2025, the Company conducted campus recruitment activities at multiple universities including Beijing Institute of Technology, Beijing Jiaotong University, Harbin Engineering University, and Changchun University of Science and Technology. After joining the Company, graduates are provided with a 1V1 training plan and designated mentors to accelerate their transition from campus to professional roles and enhance alignment with job requirements and corporate culture. **In 2025, the Company recruited 75 fresh graduates**.

Changchun University of Science and Technology Information Session

The 2025 VPC National University Virtual Production Competition was jointly guided and supported by the Film Digital Production Committee of the China Film Association, the China Virtual Reality Technology and Industry Innovation Platform, and the Film and Television Industry and Management Committee of the Chinese Collegial Association For Visual Art. Beijing Yuanke Vision Technology Co., Ltd. and Shanghai Suihuan Technology Co., Ltd. served as technical support units, **jointly promoting the dissemination and application of cutting-edge technologies in the virtual production industry and advancing in-depth cooperation between universities and enterprises in film and television production technology research and development, talent cultivation, and employment selection**.

2025 National University Virtual Production Competition

Employee Compensation and Benefits

The Company bases its practices on the "Compensation Management System," **upholding the core philosophy that "value contributors receive competitive compensation," adopting a combined structure consisting of fixed compensation (based on position value evaluation and capability grading), variable compensation (annual performance bonuses strongly linked to profit/departmental/individual performance), long-term incentives, and statutory/company-provided benefits**. With an emphasis on external competitiveness and internal fairness, **male and female employees receive equal pay for equal work**. The HR Department conducts annual compensation surveys, and adjustment plans are approved by the President's Office Meeting, forming a dynamically optimized closed-loop management system that supports the Company's strategy and incentivizes core talent.

In 2025, based on strategic and operational objectives, the Company **further adjusted and improved the "Detailed Rules for the Implementation of the Company's Gain-Sharing Mechanism for 2025," the "2025 Long-Term Incentive Program," and the "LUSTER 2025 Diversified Immediate Incentive Awards."** Further emphasis was placed on a striver-oriented approach in bonus distribution, long-term equity incentives and long-term incentives, as well as immediate incentives.

The Company has established a "four-in-one" benefit ecosystem, with 100% labor contract signing and five social insurances and one housing fund coverage forming a solid compliance foundation, and **supplementary medical insurance covering all employees to strengthen health protection**. On this basis, multiple layers of care are provided: living support (lunch/communication/housing subsidies for fresh graduates) to relieve practical concerns; health protection (annual medical examinations and preferential benefits for family members) to safeguard employees' physical and mental well-being; special care (festival gifts, milestone benefits, overseas business travel insurance) to convey corporate warmth; and development resonance (low-interest housing loans for outstanding talents and team-building funds) to deepen long-term talent engagement, comprehensively practicing the core talent philosophy of "enabling value contributors to share in development achievements."

Employee Development

Employee adaptability and growth are critical issues related to the sustainability of the enterprise. In talent development, the Company **adheres to** the **"tiered and graded, capability-oriented, internally driven"** principle, and has established targeted training systems for senior, mid-level, and grassroots employees as well as managers, focusing on three major directions: new employee onboarding, vertical job expansion for grassroots employees, and enhancement of comprehensive capabilities of management. Through annual capability assessments, the Company dynamically optimizes dedicated development programs for professional talents such as the management talent pipeline and key positions. Relying on an online learning platform and a qualification-guided curriculum system, the Company achieves knowledge accumulation, experience extraction, and improved training efficiency. Meanwhile, an integrated mechanism has been systematically established for mentor certification and the selection and utilization of internal trainers, activating internal resources to build a learning-oriented organization, fulfilling **the social responsibility of "transforming knowledge into wealth" and promoting employee-wide growth and organizational empowerment**.

Training Investment in 2025	Total Training Hours in 2025	Number of Trainees in 2025
RMB 3.65 million	18,831	1,903

2025 Key Position On-the-job Training

In 2025, building on its accumulated online course resources, the Company established cross-departmental collaboration training camps specifically for new employees, executives, and key frontline positions such as Product Managers (PM), Customer Service Supervisors, PMs, and SRs, deeply advancing its ESG strategic commitments: at the social level, by empowering core business talents to build fair growth pathways and **enhance the quality of human capital**; at the governance level, by establishing a standardized talent pipeline development mechanism to **strengthen organizational execution capability and risk resilience**. This initiative strongly supports scalable business expansion and long-term sustainable development, demonstrating the Company's strategic investment in talent value creation.

Executive External Training

PM Training Camp

New Employee Orientation Training

Customer Service Supervisor Training Camp

New Employee Training

Employee Performance and Promotion

Guided by its strategic objectives, LUSTER **has established a "Company–Department–Individual" objective chain, forming a closed-loop management mechanism through operational analysis and quarterly reviews to strengthen efficient collaboration and ensure the achievement of goals.** With "individual performance + organizational performance" as the core evaluation approach, the Company provides solid talent and organizational support for sustainable development.

Organization Performance

Centered on the Company's strategy and operational objectives, a top-down objective system is established and implemented through operational analysis and quarterly reviews to achieve closed-loop management, promoting efficient collaboration and effective goal execution.

Individual Performance

With performance results as the core, the Company comprehensively evaluates business contributions, capability improvement, and job competency. Performance results are directly linked to compensation, promotion, and training, enabling fair incentives and career development.

The Company has established a unified employee promotion management process, linking individual ranks with performance assessment and promotion, and implementing it based on responsibility outcomes and capability improvement while adhering to the principles of fairness and justice.

The Company provides employees with a dual-track development path consisting of a management channel and an expert channel:

Management channel: from grassroots managers and departmental middle-level managers to middle-level managers of the Company, and further to senior management of the Company

Expert channel: from departmental key talents and senior departmental key talents to Company-level experts, and further to Company-level senior experts

Employee Health and Safety

Occupational Health and Safety Management System

The Company **adheres to the EHS policy of "Pollution Elimination, Energy Conservation; Safety First, Accident Prevention; Giving Back to Employees and Society; Compliance with Regulations, Continuous Improvement," and aims for the goal of "Zero Accidents"**, and a series of EHS management enhancement measures were systematically formulated and comprehensively implemented in 2025. In the same year, LUSTER LightTech Co., Ltd., Suzhou LUSTER Industrial Intelligent Technology Co., Ltd., and Suzhou LUSTER Vision Intelligent Equipment Co., Ltd., among other core operating entities, successfully **obtained ISO 45001 Occupational Health and Safety Management System certification**, marking the Company's commitment to maintaining and continuously improving the standardization and sustainability of EHS operations.

Work Safety

In April 2025, the Company released an updated safety management structure to implement its safety management work. **By practicing the safety policy of "safety first, prevention as the primary approach, effective monitoring, and continuous improvement," and achieving the safety objective of "zero accidents"**, and with the approval of the Company, **the appointments of the members of the Safety Committee were refreshed**. The Committee includes positions of Director and Deputy Director, and consists of core team members and extended team members, with an executive secretary assigned. The relevant appointment notice was issued to all business divisions, functional departments, offices, and branches of the Company and disseminated across the entire Group for implementation.

In accordance with a series of regulations such as the "Work Safety Rules and Regulations," the "Work Safety Education and Training System," and the "LUSTER Work Safety Responsibility System," the Company ensures the safety of its production and operations. During the reporting period, in terms of safety actions, the Company actively implemented the relevant institutional processes and carried out safety training and management communication on a quarterly, monthly, and daily basis; in order to safeguard employees' production safety, the Company replaced fire safety equipment in multiple locations and conducted regular inspections and maintenance of construction equipment during the reporting period, **with a safety-related investment amounting to nearly RMB 200,000**.

Safety Accident Emergency Plan

The Company has formulated and established a series of systems, including the "Enterprise Safety Hazard Investigation and Rectification System," the "Measures for the Management of Enterprise Work Safety Accident Emergency Plans," the "Emergency Plan for Production Safety Incidents," and the "Major Safety Hazard Reporting System," with a focus on the identification and prevention of safety hazards. for work safety incidents, safety emergency plans are established for multiple scenarios, including work-related injuries, fire/explosion, chemical leakage, and failure of safety facilities, ensuring that employees are able to obtain effective response capabilities in the event of an incident. The Company has also established mechanisms for safety accident reporting, penalties, and system improvement to ensure no recurrence of incidents.

Safety Production Training

Based on key risk links in manufacturing processes and fully drawing on past risk prevention and control experience, **the Company carried out special training on hazard source identification and risk control for all employees in the production and manufacturing departments in 2025**. The training adopted the "imparting, assistance and mentoring" model of experienced employees guiding new employees, systematically passing on the valuable experience accumulated by senior employees through long-term production practices, ensuring that both new and existing employees can proficiently master risk identification and emergency response skills, thereby building a comprehensive protection system for employees' work safety. In addition, the Company consistently conducts regular fire emergency drills and chemical leakage response drills for all employees every year, continuously strengthening employees' safety awareness and practical response capabilities and effectively reinforcing the defense line for work safety.

R&D Safety

Safety management during R&D experiments is centered on the principle of "life first." The Company has established systems including the "R&D Laboratory Safety Code," "R&D Laboratory Operating Procedures," "Measures for the Management of R&D Laboratory Equipment and Instruments," and the "R&D Laboratory Code of Conduct." Focusing on five key dimensions—electricity use, electrostatic protection, fire protection, occupational health, and behavioral norms—the Company has built a comprehensive safety protection system covering all personnel, the entire process, and all aspects through a series of rigid institutional measures, ensuring that the safety of laboratory personnel, equipment, and the environment remains controllable. The Company's safety prevention and control measures in R&D demonstrate its fulfillment of ESG responsibilities.

Special Training on Work Safety

Fire Drills

Reflection in Environmental Protection

Strictly control the emission and disposal of welding fumes and volatile chemicals, ensure the effective operation of ventilation facilities, and reduce the impact of hazardous substances on the atmosphere and personnel health

Safeguarding Employees' Right to Life

Establish and improve the occupational health and safety system covering electrical protection, electrostatic protection, physical injury prevention, and safe chemical operations to safeguard employees' life and health rights and interests; enhance employees' safety awareness through regular training and strengthen emergency response capabilities

Enhancing Governance and Risk Prevention

Formulate and implement standardized safety code documents, clearly defining red-line prohibitions such as the "Ten Prohibitions" and graded approval processes; establish mechanisms for reporting safety hazards and accountability to ensure effective implementation of systems, form closed-loop management, and enhance organizational governance efficiency and risk prevention and control capabilities

Main Indicators	Unit	Achieved Data
Number of Work-related Deaths and Serious Injuries in 2025	/	0
Number of Occupational Disease Cases	例	0
Occupational Health Examination Rate	%	100%

Occupational Health

To implement the occupational health policy of "prevention first and combining prevention with control," the Company has established a full-process occupational disease prevention and control system: employees exposed to occupational hazard factors are regularly organized to undergo specialized occupational health examinations, occupational health and safety hazards are systematically identified, and targeted prevention and control measures are formulated along with emergency drills; meanwhile, employees are equipped with personal protective equipment that is regularly maintained, and engineering modifications and equipment upgrades are carried out for the operating environment. Based on professional identification and assessment, the occupational hazard factors currently present in the Company mainly include chemical factors (tin soldering fumes) and physical factors (noise), which may lead to occupational diseases such as respiratory system damage and noise-induced hearing loss. In response, the Company has implemented the following targeted prevention and control measures:

Elimination of Hazardous Working Environment

For tin soldering fumes: A fume extraction and filtration device is installed in the tin soldering workshop, and the effectiveness of the filtration cartridges of the extraction system is verified weekly, with regular replacement, servicing, and maintenance of the filtration cartridges.
For noise: Sound insulation walls are installed in environments where noise is generated, and doors are kept closed during daily operations to reduce the impact of noise.

Protective Measures for Individual Workers

Protective tools: Employees in welding positions must wear a dust mask during the production process; personnel in noise operation areas must wear protective earplugs; those in positions involving processing and handling must wear protective goggles and rubber gloves, etc.
Regular health examinations: Personnel in positions exposed to welding fumes and dust substances undergo a health examination once every year; if the 8-hour equivalent sound level of noise in the workplace is ≥85dB, annual physical examination is required.

Protection of Employee Rights and Interests

Diverse and Inclusive Culture

The Company is committed to building an open, inclusive, and diversified working environment, **deeply integrating respect for employees' fundamental rights and the promotion of democratic participation throughout the entire lifecycle of talent management**: in recruitment and employment, we provide all candidates and employees with fair and consistent development opportunities and an open and inclusive organizational atmosphere; in safeguarding freedom of association, we fully respect and protect employees' rights to legally establish, join, or withdraw from social organizations, with employees' choices free from any restriction. The Company not only maintains zero interference but also actively empowers such initiatives—providing an annual special fund of RMB 5,000 to eligible employee self-organized associations to stimulate employee autonomy and strengthen their sense of organizational belonging; in building freedom of expression, a dedicated DingTalk communication community is established as an open platform for employees to freely express opinions and share information and knowledge, ensuring that diverse voices can be heard, while a suggestion collection and closed-loop improvement mechanism is established to transform employee insights into a driving force for organizational evolution; in terms of rights and remedy, we maintain multiple channels for complaints and whistleblowing, and provide proactive, timely, and fair responses and handling of employee feedback, thereby consolidating a foundation of trust through transparent governance and truly achieving sustainable development in which the enterprise and employees grow together.

The Company has formulated the "Anti-Discrimination, Anti-Harassment, and Anti-Forced Labor Management Policy", eliminating discriminatory behavior throughout the entire process from recruitment and selection to behavioral standards and benefits protection, and adhering to the principle of non-discrimination on the basis of race, gender, nationality, religion, age, disability, marital status, pregnancy, sexual orientation, or association affiliation.
The Company pays particular attention to women's employment rights, committing not to discriminating against married or pregnant women, making reasonable workload adjustments for pregnant employees, and providing dedicated facilities such as nursing rooms for women during the lactation period;

As of December 31, 2025

Number of Female Employees	Number of Employees with Disabilities
375	16

Democratic Communication

The Company intends to **establish a proactive, open, and transparent communication mechanism**, with senior management actively building and improving internal two-way communication channels, encouraging employees to put forward suggestions for corporate operations and management and to express their views and appeals. The Company also encourages employees to communicate actively through various communication channels, and proactively adopts reasonable opinions and suggestions regarding corporate development and management, thereby fostering a positive two-way communication atmosphere, ensuring efficient and equitable internal communication and skills sharing, and promoting employee growth.
The Company has **established and improved an employee feedback mechanism**, collecting employee improvement initiatives and rationalization proposals through a quarterly solicitation and regular feedback system. In addition, by regularly publishing internal newsletter, the Company promotes its values and culture, encourages employees to understand, provide feedback on, and participate in value-related activities, and motivates employees to engage deeply in corporate operations and management.

In addition, the Company attaches importance to all employees' satisfaction with corporate governance and regularly conducts **employee satisfaction surveys**. Through online questionnaires, the Company focuses on aspects closely related to employees' daily lives, including food, clothing, housing, transportation, departmental work, and employee activities, carefully listens to employees' suggestions and opinions, formulates targeted improvement plans, and effectively responds to employees' reasonable appeals.

Employee Care

Employee Assistance

The Company has established a comprehensive employee assistance and condolence system, focusing on employees' practical difficulties by providing dedicated assistance and financial support to employees facing major illnesses, accidents, or family hardships. Meanwhile, key life events of employees are covered by providing various condolence payments for occasions such as birthdays, marriage, childbirth, and bereavement, supplemented by inclusive welfare support, thereby effectively conveying the Company's care, strengthening the safeguard for employees' livelihoods, and fulfilling ESG responsibilities toward employees.

Psychological Counseling

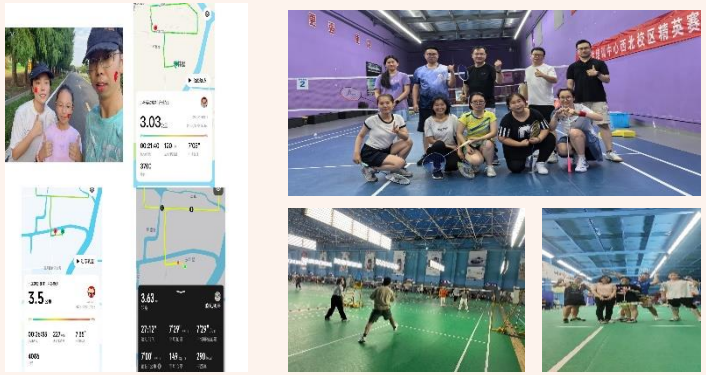
The Company attaches great importance to employees' mental health and has established a comprehensive mechanism for physical and psychological well-being. Regular health examinations for all employees, occupational disease screenings, and free medical consultations are conducted to ensure dual protection for physical and mental health. Through employee communication meetings and diverse feedback channels, workplace pressure is addressed in a timely manner, while team-building activities promote a balance between work and rest, fostering an equal, inclusive, and open workplace atmosphere that safeguards employees' mental health.

Comfortable Environment

The Company continues to invest in optimizing the office and working environment for employees, conducts comprehensive inspections to identify safety hazards in office and production areas, and improves the safety training system to provide employees with a safe, comfortable, and convenient working space; meanwhile, well-developed office support facilities that take into account both work convenience and physical and mental comfort are equipped, effectively safeguarding employees' occupational safety and health rights and demonstrating a people-oriented ESG concept.

Featured Activities

To enrich employees' leisure life and relieve work pressure, the Company actively organizes various cultural, sports, club, and holiday-themed activities, building platforms for employee interaction and communication; through diversified activities, the Company enhances employee cohesion, encourages employees to balance work and rest, fosters a positive, collaborative, and united team atmosphere, helps employees achieve work–life balance, and promotes the joint growth with employees.



Diverse Club Activities

Team Building, Family Day, Women's Day

Free Medical Consultation

Building a Green and Harmonious Homeland Together

The Company has established a full-process environmental management system to promote the development of Green Factories, optimize the energy structure, improve resource utilization efficiency and practice low-carbon development. Meanwhile, the Company actively engages in rural revitalization, talent cultivation, and social welfare, fulfilling social responsibilities through concrete actions and realizing the coordinated development of economic, environmental, and social value.

Green Development

Resource Utilization

Social Contribution

Green Development

Environmental Management System

The Company strictly complies with national environmental protection laws and regulations such as the *Environmental Protection Law*, the *Environmental Impact Assessment Law*, the *Law on the Prevention and Control of Atmospheric Pollution*, the *Law on the Prevention and Control of Water Pollution*, and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and has established an environmental management system covering the entire business chain. Internal regulations have been formulated, including the "Environmental Protection Management System," the "Waste Gas, Wastewater and Noise Management System," and the "Waste Management Regulations," refining requirements for pollution prevention and hazardous waste management and laying a solid foundation for the standardized operation of environmental management.

The Company has established and improved its environmental management organizational structure, clearly designating the General Manager as the primary person responsible for environmental protection and department managers as the primary persons responsible for environmental protection within their respective departments, fully implementing the principal responsibility for environmental protection management. The environmental protection policy of "comprehensive planning, technological innovation, comprehensive utilization, scientific management, and pollution prevention and control" is strictly followed. The Company incorporates environmental protection work into the economic responsibility assessment system of all departments, and has established a reward and penalty mechanism to strictly pursue accountability of responsible parties for environmental pollution caused by violations, comprehensively ensuring the standardized and normalized advancement of its environmental protection management.

In 2025, **the Company invested RMB 219,000 in environmental protection**, mainly in areas including three-waste consulting, testing and treatment, pollution source identification and control, etc. During the reporting period, the Company's major production entities all **passed the ISO 14001 Environmental Management System certification, and throughout the year no major environmental violations or incidents occurred**.

Environmental Risk Prevention and Control

LUSTER has established an environmental factor identification and evaluation table, and regularly identifies and evaluates the major environmental factors. By identifying multiple key influencing factors including office activities, procurement activities, workshop production, quality inspection, testing, warehousing, and customer service, the Company has compiled a list of major environmental factors and formulated corresponding control measures.

Important Environmental Factors	Control Measures
Disposal of used toner cartridges, used ribbons, and used ink cartridges	Recycled and handled by the printer supplier
Disposal of used computers and used printers/copiers	Recycled and handled by the printer supplier
Generation of waste containing hazardous substances	Eco-friendly materials selected during product planning
Fires caused by electricity use	Electrical fire inspections conducted by qualified entities; daily inspections conducted by the Company

Environmental Emergency Plan

The Company has formulated the "Environmental Emergency Incident Emergency Plan", implementing the principle of "protection first, prevention as the main focus, and comprehensive management", and establishing a four-level mechanism consisting of joint inspections, routine inspections, seasonal inspections, and specialized inspections. For major environmental risk sources, archives and funding support are established, safety management systems are improved, job skills training is carried out, warning signs are installed, and regular special inspections and emergency drills are conducted. Rectification records for potential hazards are established to achieve whole-process control of environmental risks.

Pollution Prevention and Control

Wastewater Management

The Company does not generate production wastewater, but only domestic wastewater. All relevant departments shall avoid or reduce the use of facilities and devices that may generate wastewater whenever possible. The concentration of all wastewater is monitored by a qualified third party engaged by the Administration Department. All final rainwater and sewage discharge outlets must be posted with identification signs, and monitored once per year. When the wastewater discharge concentration exceeds the standard, the Administration Department will report it to the Deputy General Manager and convene relevant departments to analyze and address the issue until the discharge meets the required standards.

Waste Gas Management

The source of waste gas generated within the Company is the welding process in the dust-free workshop. The welding fumes generated during welding are absorbed by a gas collection device and filtered through activated carbon adsorption, and the spent activated carbon after filtering is handled by qualified disposal parties. For fugitive waste gas emissions in production workshops, the Company shall strengthen measures such as workshop ventilation and air exchange. Each year, hazardous factors in the waste gas outside the Company's workshops are tested. When the emission concentration is found to exceed the standard, relevant departments are organized to conduct analysis and treatment until the emissions meet the required standards.

Noise Management

Equipment such as drilling machines, lathes, grinding machines, air compressors, and welding fume purifiers are the primary sources of noise. The Company endeavors to select low-noise equipment wherever possible. The Production Department responsible for noise control manages the daily operations as well as regular maintenance and servicing of the above equipment, and operations are carried out in accordance with the equipment operation manuals or work instructions. Sound insulation enclosures are installed for equipment that generates relatively high noise. Hazardous noise factors inside and outside the workshops are monitored annually. When the noise levels are found to exceed the standard, relevant departments are convened to conduct analysis and treatment until the emissions meet the required standards.

Waste Management

The Company has established a full-process management system covering "generation and classification—transportation—final disposal." Waste is collected and temporarily stored according to recyclable and non-recyclable categories. Hazardous waste is specially registered and managed by the Administration Department and ultimately disposed of legally by qualified treatment providers. The Administration Department is responsible for supervision, and the HR Department is responsible for conducting training. Through supervision, measurement, and corrective and preventive mechanisms, the management objectives of waste reduction, resource utilization, and harmless treatment are achieved.

Smart Campus Development

Security & Surveillance

Integrates security systems and equipment data to enable unified situational awareness via a single-pane view, ensuring efficient and stable security management

Smart Access Control

Visualizes pedestrian flow data across main entrances, zones, and corridors of the intelligent building.

Smart Mobility

Provides data-driven insights into parking space utilization, distribution, and occupancy ratios across the campus.

Integrated Command Center

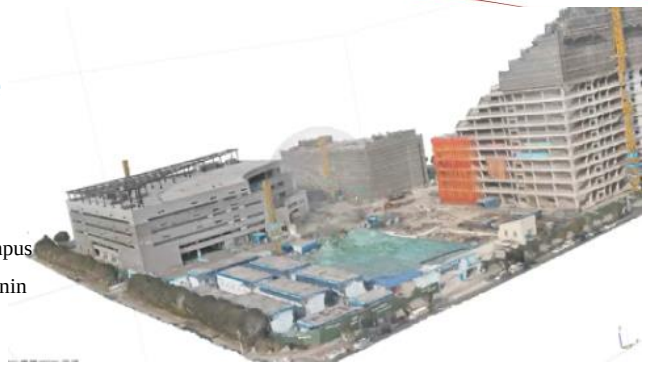
Clearly presents the overall campus layout, provides a unified overview and control of campus operations, and enables holistic situational awareness.

External Version: Exhibition & Promotion

Internal Version: Command & Management

A Complete Digital Asset Suite for the Taihu Base

Seven modules powering intelligent campus operations:Campus Surveillance · Buildings · Offices · Meetings · Vehicles · Dining Halls · Equipment



Environmental Management

Enables visual analytics of spatial resource utilization and real-time monitoring of environmental equipment and campus conditions.

Energy Management

Provides real-time monitoring of operational status across subsystems including heating, water supply & drainage, gas, energy consumption, and power supply.

Equipment Management

Manages IoT hardware assets across the campus with full visibility into device locations and operational status, while supporting alarm visualization on the business operations platform.

Construction of Green Factories

The Company vigorously advances the construction of Green Factories, with "energy conservation and consumption reduction, green development" as the core. Based on the entire production and operations process, it builds a green manufacturing system and creates Benchmark Factories characterized by intensive and low-carbon operations. In its construction practices, the Company implements the circular economy concept, develops modern soil technology and energy-saving low-carbon systems, and promotes efficient resource utilization and coordinated environmental governance, while actively advancing greening and ecological landscape development within the factory area. Meanwhile, green development is integrated into all aspects of management and production. Processes are optimized at the source, high energy-consuming equipment is phased out, clean production and safety control are strictly implemented, and working hours and energy scheduling are optimized.

The Company builds a Green Factory centered on the Taihu Base, integrating the energy conservation concept throughout the entire process.

- The base is a Class A building, with an **energy conservation level of 72%,** and a Green Building target of Two-Star rating.
- **The rooftop photovoltaic installed capacity is approximately 200 kW, with an annual power generation of 386,300 kWh, accounting for 3.92% of the building's total electricity consumption.**
- **Proportion of charging-pile parking spaces: 10%**
- **Proportion of photovoltaic hot water usage: 20%**
- **Rainwater replenishment for landscape water bodies exceeds evaporation by 60%.**

Guangzhigu

Guangzhiyuan

Resource Utilization

Addressing Climate Change

Global climate change is profoundly reshaping the industrial competition landscape. With the in-depth advancement of the carbon peaking and carbon neutrality goals and the implementation of international rules such as the EU Carbon Border Adjustment Mechanism, decarbonization pressure across industrial chains is accelerating its transmission downstream. As the core perception layer technology of intelligent manufacturing, machine vision faces market opportunities brought by the green transformation of downstream sectors such as new energy and high-end manufacturing, while also bearing the dual challenges of expanding computing power and carbon management across the supply chain.

Identification of Climate Change Influencing Factors

Climate Influencing Factors	Opportunities	Expected Measures
Surging demand for low-carbon transformation in manufacturing	Visual inspection empowering green manufacturing	Provide high-precision visual inspection for manufacturing across multiple industries, and reduce manufacturing energy consumption and defect rates
Explosive growth in renewable energy installations	Intelligent O&M for wind power/photovoltaics	Expand product defect detection in new fields and capture the new energy post-market
Driven by circular economy policies	Visual sorting of waste products	Develop intelligent sorting systems for recycled resources, applied to recycling production lines for waste plastics and used batteries
Extreme weather leading to deterioration of quality inspection environments	Unmanned intelligent quality inspection	Promote new machine vision inspection solutions to reduce carbon emissions and risks from manual inspection patrols

Climate Influencing Factors	Challenges	Expected Measures
Rising energy consumption of visual computing centers	Surging carbon emissions from AI training	Deploy liquid-cooled servers and direct supply of green electricity, and optimize model compression algorithms to reduce training energy consumption
Tightening customer ESG audits	Supply chain carbon data traceability	Establish a full life-cycle carbon accounting system for vision equipment, and prioritize procurement of low-carbon chips and optical components
Implementation of green trade barriers	Carbon footprint certification for export products	Obtain international certification for product carbon footprints and develop low-energy edge-computing vision response solutions
Climate disasters impacting delivery	Insufficient supply chain resilience	Diversify the layout of optical component suppliers and establish climate risk early-warning and emergency response mechanisms

Measures to Address Climate Change Impacts

Current Measures to Address Opportunities: The Company deeply integrates machine vision technology into green manufacturing. Technologically, the Company continuously iterates AI large models and algorithm platforms, upgrading visual inspection from single-defect recognition to cross-modal process understanding, thereby enabling digitized and intelligent control of the manufacturing process and reducing energy consumption and resource use at the source. In respect of application, the Company focuses on strategic green industries such as new energy battery, new energy vehicle, and photovoltaics, providing visual solution covering the entire production process to help customers improve quality consistency, reduce rework waste, and optimize energy utilization efficiency, thereby indirectly reducing carbon emissions across the industrial chain. In terms of intelligent manufacturing upgrade, the Company provides customers with integrated solutions including digital consulting and planning, intelligent production line implementation, and intelligent logistics optimization, realizing intelligent management across the entire process of ERP/MES/quality inspection and warehousing, helping customers build efficient, flexible, and low-carbon modern factories, and achieving a capability leap from single-point visual inspection to systematic green manufacturing.

Current Measures to Address Challenges: LUSTER addresses climate challenges through a dual-driver approach of "investments and M&As + supply chain security management and control." In the upstream, the Company has invested in chip and lens enterprises such as Gpixel and CHIOPT, and acquired JAI to strengthen high-end camera technology and products, thereby ensuring the security and controllability of core components. Meanwhile, for high-risk categories such as long lead-time materials, exclusive supply, and materials involving sensitive regions, the Company conducts multi-scenario risk identification and quantitative classification, strictly controlling the proportion of high-risk items and strengthening the climate resilience of the core supply chain.

Climate Change Emergency Plan

To systematically enhance climate change adaptability and the ability to withstand risks from extreme events, as well as safeguard employee personal safety and the continuity of production and operations, the Company has established a full-chain climate response system of "specialized plan coverage—graded early warning and prevention—standardized response execution," forming a scientific emergency management mechanism.

Firstly, improve the specialized plan system to achieve coverage of high-risk scenarios. Focusing on climate change-derived risks and extreme operating conditions, the Company has formulated the "Flood Control Emergency Plan" and the "High Temperature Heatstroke Emergency Plan," supplemented by specialized plans for emergencies such as fire, explosion, chemical leakage, typhoons, and earthquakes, clearly defining the handling principles, responsible entities, and execution process for various scenarios, thereby providing institutional support for emergency response.

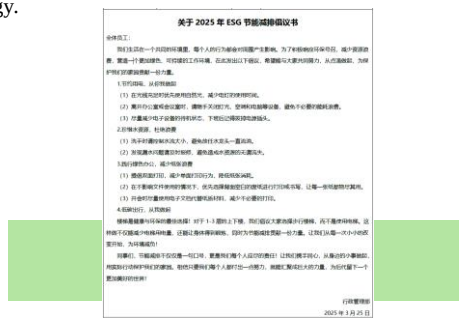
Secondly, establish a tiered early warning mechanism and strengthen risk prevention and control at the source. With flood control and flood prevention as the core, an early warning system has been established, setting three-tier warning standards based on key indicators such as 6-hour/3-hour rainfall. Meanwhile, mechanisms including routine hazard source monitoring, 24-hour on-duty inspection during the flood season, and regular inspection and maintenance of stormwater pumps have been implemented. Differentiated response measures are matched to different warning levels, ranging from equipment inspections under Level III status to extreme hazard prevention and control under Level I status, thereby achieving tiered and forward-positioned risk management and control.

Thirdly, standardize the emergency response process to ensure efficient implementation of response actions. In response to the risk of heatstroke under high-temperature conditions, the Company has institutionalized a five-step standardized first-aid process of "relocation, cooling, rehydration, awakening, and transfer," and conducts practical drills to strengthen the occupational health protection line for employees. For extreme incidents, unified evacuation procedures are clearly defined: when on-site response proves ineffective, the chief commander issues an evacuation order, personnel evacuate along designated routes to safe assembly points, and department supervisors complete personnel roll calls and reporting. Professional rescue teams will be mobilized when necessary to ensure an orderly and efficient response.

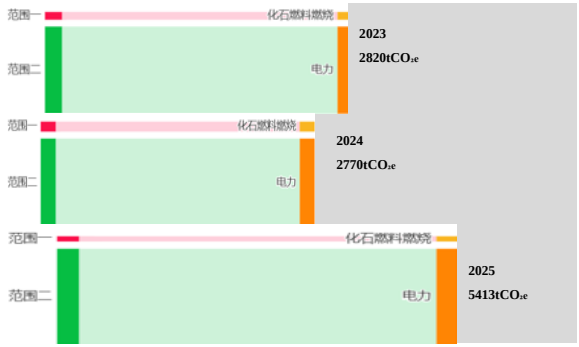
Efficient Energy Utilization

In accordance with regulatory requirements such as the *Law of the People's Republic of China on Energy Conservation* and in consideration of its actual production and operational conditions, the Company has established the "**Resource and Energy Management System**," which specifies that the Administration Department is responsible for the use and supervision of energy and resources. Each department formulates energy conservation targets on a consolidated basis, which are reviewed by the General Manager. A management mechanism has thus been formed that is suitable for the Company's current business scope and scale, establishing energy conservation approaches for the use of resources and energy, and forming a normalized mechanism for the use of resources such as water, electricity, and energy.

On March 25, 2025, the Company **issued the "2025 ESG Energy Conservation and Emission Reduction Initiative" to all employees**, promoting energy conservation and emission reduction from four dimensions: electricity conservation, water conservation, green office practices, and low-carbon commuting. The initiative aims to respond to environmental protection calls, reduce resource waste, and create a green and sustainable working environment. It transforms energy conservation and emission reduction into a shared responsibility of all employees, bringing together collective efforts to protect the environment through everyday actions.


关于 2025 年 ESG 节能减排倡议书

Carbon Emissions Data Statistics and Monitoring



The Company is not a high resource-consumption or high-emissions enterprise. Its primary sources of carbon emissions mainly arise from electricity consumption during manufacturing processes and within office areas. The total emissions from 2023 to 2024 remained generally stable, reflecting that under the existing production capacity scale, the Company achieved stable control of emissions through energy conservation management and effective optimization. The increase in total carbon emissions in 2025 was mainly attributable to the construction of new parks and the expansion of production capacity undertaken to support the Company's medium- and long-term business development.

Although emissions increased in the short term along with capacity expansion, the Company continues to advance green and low-carbon operations by promoting high-efficiency energy-saving equipment, optimizing energy management, and improving production processes, thereby steadily enhancing energy utilization efficiency per unit of output value.

Energy-saving Measures

Energy Conservation Promotion

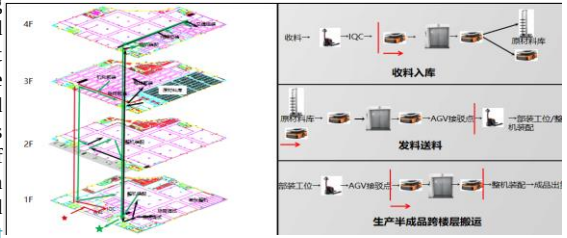
Post energy conservation and emission reduction signage

Use energy-efficient lighting fixtures

Green Operations

The Company adheres to the concept of green and low-carbon development, integrates environmental friendliness and efficient resource utilization into the entire process of production and operations, and continuously advances digitized, intelligent, and low-carbon operational practices, thereby building an efficient, clean, low-carbon, and circular green operation system through concrete actions.

Promote the development of intelligent warehousing to enhance resource operation efficiency



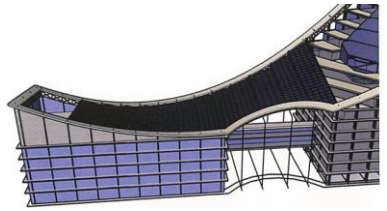
To address the urgent demand for improved warehousing efficiency and higher output per unit area driven by rapid business growth, the Company introduced an intelligent warehousing system in June 2025, reconstructing the warehousing operation model through automation and intelligent technologies. Through technologies such as AGV cross-floor transportation and the separation of personnel and goods traffic, "Dark Warehouse" has been realized, significantly reducing energy consumption and the risk of workplace injuries; meanwhile, **the project investment payback period is only 21 months, and labor demand for material issuance has declined significantly, and employee overtime workload has been reduced from 80% to 40%**, effectively reducing the impact of operations on the environment and employee health while improving operational efficiency.

Promote MOM paperless operations to build a green and low-carbon production model

In response to green and low-carbon development requirements, the Company launched the Manufacturing Operations Management (MOM) system, transforming supply chain process-wide forms from offline printed circulation to online circulation and enabling full-chain data traceability. Through the coordination of the SRM system and the MOM system, the project **reduced paper documents by 60% and achieved cost savings of RMB 120,000**, not only directly lowering paper consumption and carbon emissions, but also improving operational transparency and efficiency through digitized management.

Deploy renewable energy applications to promote green energy use at the base

To practice the "carbon peaking and carbon neutrality" goals and optimize the energy structure, the Company deployed a 0.8 MW distributed photovoltaic power generation project at the Taihu Base, **covering approximately 6,000 square meters of rooftop area**, enabling on-site consumption of green energy. **Over 25 years, the project can save 7.02 million kWh of electricity**, effectively reducing the base's reliance on traditional fossil energy and lowering carbon emissions during operations, thereby providing strong support for the Company's energy transition and the advancement of green and low-carbon development.



Photovoltaic systems on the rooftop of Building 2 and on the rooftop of the corridor connecting Buildings 1–2

Social Contribution

Supporting Rural Revitalization

The Company actively responds to the national rural revitalization strategy and integrates support for the development of local specialty agriculture into its social responsibility practices. By purchasing locally produced Biluochun tea leaves from the Agricultural Products Operation Department of Wuzhong District, Suzhou, the Company facilitates the connection between local agricultural product supply and sales through actual consumption, stabilizing the income of growers and operating entities and supporting the sustainable development of local specialty agricultural industries. This initiative not only helps expand market channels for high-quality local agricultural products, but also promotes resource connectivity and industrial collaboration between urban and rural areas. Through responsible procurement, the Company fulfills its corporate social responsibility and contributes to rural revitalization and shared regional prosperity.



Charity Donations

The Company adheres to the concept of green and low-carbon development, integrates environmental friendliness and efficient resource utilization into the entire process of production and operations, and continuously advances digitized, intelligent, and low-carbon operational practices, thereby building an efficient, clean, low-carbon, and circular green operation system through concrete actions.

Mr. Yao Yi and Ms. Yang Yi, the Company's actual controllers, actively practice social responsibility and continuously pay attention to and support public welfare initiatives for elderly care. **Since 2023, the two have cumulatively donated RMB 4.85 million in their names for the reconstruction of a nursing home,** creating a safe and comfortable living environment for elders without family support and providing solid financial support for the rebuilding of the nursing home. The project has improved the quality of life of elders without family support while also reflecting the core management team's deep concern for social well-being, contributing to the advancement of public welfare.


捐赠证书
DONATION CERTIFICATE
杨艺女士：
感谢您对 西充县养老慈善事业 的支持！您所捐赠的 壹佰万 元整，将全部用于 西充县青狮镇敬老院建设！
特发此证，以资鼓励！
西充县慈善会
2024年8月23日

In 2025, the Company's total charity donations reached **RMB 1.726 million**, focusing on **higher education development and public welfare support**, thereby actively fulfilling its social responsibility.

In the field of education and scientific research, the Company continues to invest resources to support the development of higher education. The donated funds are primarily used for teaching and research, equipment upgrades, and talent cultivation in cutting-edge technology fields such as computer science and artificial intelligence and control science, supporting academic innovation and technological exchange at universities, injecting momentum into national technological innovation and the cultivation of high-end talent, and strengthening the foundation for the development of the digital economy and intelligent industries.

In the field of public welfare, the Company donated RMB 20,000 to the Suzhou Wuzhong District Charity Federation to support livelihood assistance programs such as poverty relief, student support, and elderly care, covering groups including elders in need, persons with disabilities, and migrant workers, thereby conveying its social commitment.

Community–School–Enterprise Collaboration

LUSTER, in collaboration with Henan Mechanical and Electrical Vocational College and Henan Dikuang Vocational College, **launched a Machine Vision Technology Youth Training Program for the public, focusing on fundamental machine vision knowledge, industrial scenarios, and hands-on factory operation skills.** An integrated training model that combines classroom instruction, on-site practical training, and graduation assessment is adopted to provide high-quality skill enhancement and employment pathways for members of the public and enrolled students. The program aims to integrate industry and education through targeted talent cultivation, bringing real enterprise job requirements into the training stage, effectively alleviating the shortage of skilled talent in the intelligent manufacturing sector and supporting trainees in achieving high-quality employment. Through collaborative education between schools and enterprises, the Company actively fulfills its social responsibility, promotes the precise alignment of educational resources with industrial demand, and contributes to regional talent development, stable social employment, and the digital transformation of the manufacturing industry.




Appendix I Key Performance Data

Key Operational Performance				
Key Performance Indicators	**Unit**	**2023**	**2024**	**2025**
Direct economic value	RMB 1 million	2,641	2,234	2,912
Total Assets	RMB 1 million	5,085	5,459	6,229
Cash Dividends (Including Share Repurchase Amount)	RMB 1 million	50	164	51
(Repurchases + Dividends) / Operating Revenue	%	31%	153%	32%
Basic Earnings per Share	RMB/Share	0.35	0.23	0.35
Environmental Performance Indicators				
Key Performance Indicators	**Unit**	**2023**	**2024**	**2025**
Total Greenhouse Gas Emissions	tCO_2e	2,820	2,770	5,413
Scope 1	tCO_2e	232	280	279
Scope 2	tCO_2e	2,588	2,490	5,134
Energy Consumption				
Direct Energy Consumption	Tons of Standard Coal	127	154	133
Gasoline	Litre	26,260	28,250	27,183
Diesel	GJ	0	0	0
Natural gas	m3	81,632	102,041	102,041
Indirect energy consumption	Tons of Standard Coal	500	481	992
Total Waste Generated (Scope: Production Factories)	**Tons**	**3.8**	**3**	**6.7**
Non-hazardous Waste Generated	Tons	3.6	2.8	3.9
Card-boards	Tons	1.3	1	1.3
Plastics	Tons	0.8	0.6	0.8
Pallets	Tons	1.5	1.2	1.8
Hazardous Solid Waste Generated	Tons	**0.2**	**0.2**	**2.8**
Spent activated carbon filters	Tons	0.006	/	/
Spent packaging drums	Tons	0.01	0.006	/
Spent rags and discarded circuit boards	Tons	0.2	0.03	/
Spent cutting fluid	Tons	/	0.2	2.8

Key Performance Indicators	Unit	2023	2024	2025
Waste Diverted from Disposal				
Hazardous Waste Recovered and Utilized	**Tons**	**0**	**0**	**0**
Hazardous Waste Transferred for Preparation for Reuse	Tons	0	0	0
Hazardous Waste Transferred for Recycling	Tons	0	0	0
Non-hazardous Waste Recovered and Reused	**Tons**	**3.6**	**2.8**	**3.9**
Non-hazardous Waste Transferred for Preparation for Reuse	Tons	0	0	0
Non-hazardous Waste Transferred for Recycling	Tons	3.6	2.8	3.9
Waste Diverted from Disposal				
Total Waste Directed to Disposal (Including Transfers)	Tons	3.8	3.0	6.7
Hazardous Waste Disposed off by Incineration (with Energy Recovery)	Tons	0.2	0.2	2.8
Hazardous Waste Disposed off by Incineration (without Energy Recovery)	Tons	0	0	0
Hazardous Waste Disposed off by Landfill	Tons	0	0	0
Amount of Non-hazardous Waste Disposed Off	Tons	0	0	0
Amount of Non-hazardous Waste Disposed Off Through Incineration (With Energy Recovery)	Tons	0	0	0
Amount of Non-hazardous Waste Disposed Off Through Incineration (Without Energy Recovery)	Tons	0	0	0
Water Resources				
Total water withdrawal (overall)	Tons	13,158	12,421	28,120
Total wastewater discharge (factories)	Tons	6,206	6,209	10,362
PH	Dimensionless	7.4-7.5	8.1	7.2
Suspended solids	mg/L	38	9	62
CODcr	mg/L	299	44	79
Ammonia nitrogen	mg/L	24.6	30.9	0.3
Total phosphorus	mg/L	3.61	3.14	2.92
Number of administrative penalties related to the Company's wastewater discharge	/	0	0	0
Amount of Environmental Protection Investment	RMB 10,000	9.6	4.4	21.9

Key Performance Indicators	Unit	2023	2024	2025
Supply Chain Management				
Total number of key suppliers	/	63	60	74
Overseas suppliers	/	240	151	159
China-based suppliers	/	1,496	1,074	1,154
Service suppliers	/	45	65	60
Main raw and auxiliary material suppliers	/	1,691	1,160	2,220
Supplier Training	/	28	30	21
Supplier audits	/	22	44	48
Proportion of Suppliers Signing the Anti-Corruption Agreement	%	66%	90%	95%
Safety Agreement Signing Rate	%	81%	90%	95%
Quality Management				
Product recall rate	%	0	0	0
Product yield rate (standard products)	%	98.82%	99.56%	99.20%
Customer Satisfaction	%	90%	91%	91%
Customer complaint handling rate	%	100%	100%	100%
Number of Product Quality Improvements	/	1,462	1,446	1,687
Number of Product Quality Closed-loops	/	1,345	1,360	1,569
Closure Rate for Product Quality Problems	%	92%	94%	93%
Employees				
Total number of employees	**/**	**1,981**	**1,850**	1,896
Male	/	1,584	1,479	1,521
Female	/	397	371	375
Aged 40 and above	/	199	179	359
Aged 31 40 (including 40)	/	1,131	1,035	1,033
Aged 30 and below	/	651	636	504
Doctoral Degree Holders	/	17	18	16
Master's Degree Holders	/	503	462	499
Bachelor's Degree Holders	/	829	791	837
Holders of Associate Degree and below	/	632	579	594
Total number of new employees	**/**	**416**	**268**	362
Male	/	356	220	321
Female	/	60	48	41
Aged 40 and above	/	21	17	31
Aged 31 40 (including 40)	/	117	97	123
Aged 30 and below	/	278	154	208
Doctoral Degree Holders	/	0	2	0
Master's Degree Holders	/	133	40	51
Bachelor's Degree Holders	/	144	137	196
Holders of Associate Degree and below	/	139	89	115
Employee turnover rate	**%**	**22.17%**	**21.08%**	**22.20%**
Male employee turnover rate	%	22.79%	21.49%	23.54%
Female employee turnover rate	%	19.78%	19.41%	16.80%
Aged 40 and above	%	21.33%	15.48%	14.21%
Aged 31 40 (including 40)	%	19.27%	20.29%	20.72%
Aged 30 and below	%	26.64%	24.44%	30.95%
Parental Leave				
Total Number of Employees Taking Maternity Leave and Paternity Leave	/	107	133	124
Number of employees taking paternity leave (males)	/	85	100	80
Number of employees taking maternity leave (females)	/	22	33	44
Total number of employees returning to work after leave	/	107	132	123
Number of employees returning to work after leave (Males)	/	85	100	79
Number of employees returning to work after leave (Females)	/	22	32	44
Employee Health and Safety				
Percentage of employee social security coverage	%	100%	100%	100%
Percentage of employees with supplementary medical insurance	%	100%	100%	100%
Number of work-related injuries	/	0	5	3
Number of work-related deaths	/	0	0	0
Employee Training				
Amount of training investment	RMB 10,000	188	234	364
Total training hours	Hour	22,946	23,548	18,832
Total number of trainees	**/**	**2,068**	**2,459**	**1,903**

Key Performance Indicators	Unit	2023	2024	2025
Number of online participants	/	1,443	1,948	1,903
Number of offline participants	/	625	511	579
Middle and senior managers	/	82	94	61
Ordinary employees	/	1,500+	1,600+	1,600+
Number of new lecturers during the year	/	8	10	8
Technological Innovation				
Amount of R&D investment	RMB 1 million	460	444	511
R&D investment as a percentage of revenue	%	17%	20%	18%
R&D members	**/**	**777**	**735**	**687**
Proportion of R&D members	%	39%	40%	36%
Doctoral Degree Holders	%	1.42%	1.63%	1.46%
Master's Degree Holders	%	46%	44%	41%
Holders of Bachelor’s Degree and below	%	53%	54%	57%
Number of New Patents	/	199	181	139
Cumulative Number of Patents	**/**	**709**	**799**	**895**
Cumulative Invention Patents	/	311	387	484
Cumulative Utility Model Patents	/	344	381	379
Cumulative Design Patents	/	54	31	32
Cumulative Software Copyrights	/	263	288	307
Key Governance Performance				
Shareholders' Meeting	/	4	2	4
Board of Directors	/	9	11	12
Board of Supervisors	/	9	9	5

Key Performance Indicators	Unit	2023	2024	2025
Specialized Committees	/	13	14	12
Number of directors	/	9	9	9
Proportion of external directors	%	56%	56%	56%
Proportion of independent directors	%	33%	33%	33%
Percentage of female directors	%	22%	22%	22%
Investor Relations				
Large-scale public briefings	/	3	3	3
Small-scale investor communication meetings	/	80+	50+	100+
Annual Number of Investors Received	/	600+	550+	850+
Investor Hotline Answering Rate	%	100%	100%	100%
Answering Questions in Easy Interaction	/	159	117	86
Total number of external disclosure announcements	/	159	174	211
Number of periodic reports disclosed	/	4	4	4
Number of interim announcements disclosed	/	79	96	103
Number of voluntary disclosure announcements	/	3	1	5
Anti-corruption Governance and Training				
Number of training sessions on anti-corruption	/	6	4	10
Number of employees participating in anti-corruption training	/	96	231	458
Total hours of anti-corruption training received by employees	Hour	100	462	900
Number of corruption reports received	/	3	2	2
Annual anti-corruption projects	/	2	1	2
Total number of confirmed corruption incidents	/	1	1	1
Confirmed corruption related lawsuits	/	1	0	0

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Dimension	No.	Topic	Corresponding Clause	Section
Environment	1	Addressing Climate Change	Articles 21 to 28	Building a Green and Harmonious Homeland Together—Resource Utilization
	2	Pollutant Discharge	Article 30	Building a Green and Harmonious Homeland Together—Pollution Prevention and Control
	3	Waste Disposal	Article 31	Building a Green and Harmonious Homeland Together—Pollution Prevention and Control
	4	Ecosystem and Biodiversity Protection	Article 32	N/A
	5	Environmental Compliance Management	Article 33	Building a Green and Harmonious Homeland Together—Green Development
	6	Energy Utilization	Article 35	Building a Green and Harmonious Homeland Together—Resource Utilization
	7	Water Resource Utilization	Article 36	Building a Green and Harmonious Homeland Together—Resource Utilization
	8	Circular Economy	Article 37	Building a Green and Harmonious Homeland Together—Resource Utilization
Society	9	Rural Revitalization	Article 39	Building a Green and Harmonious Homeland Together—Social Contribution
	10	Social Contribution	Article 40	Building a Green and Harmonious Homeland Together—Social Contribution
	11	Innovation Driven	Article 42	Innovation-Driven Development—Innovation Development System
	12	Technology Ethics	Article 43	Innovation-Driven Development—Special Topics
	13	Supply Chain Security	Article 45	Innovation-Driven Development—Co-creating a Value Supply Chain
	14	Equal Treatment of SMEs	Article 46	Innovation-Driven Development—Co-creating a Value Supply Chain
	15	Product and Service Safety and Quality	Article 47	Innovation-Driven Development—Product Quality Enhancement
	16	Data Security and Customer Privacy Protection	Article 48	Building a Compliance Ecosystem—Data Security and Customer Privacy Protection
	17	Employees	Article 50	Fostering a Win-Win Culture
Governance	18	Due Diligence	Article 52	ESG Strategy and Management—Identification and Assessment of Material Issues
	19	Stakeholder Communication	Article 53	ESG Strategy and Management—Stakeholder Communication
	20	Anti-Commercial Bribery and Anti-Corruption	Article 55	Building a Compliance Ecosystem—Adherence to Business Ethics
	21	Anti-Unfair Competition	Article 56	Building a Compliance Ecosystem—Adherence to Business Ethics