



# 2025

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Wuhan YIFI Laser Corp., Ltd.



# CONTENTS

About This Report	01
Message from the Chairman	03
About YIFI Laser	05
Feature: Platform Enhancement and Multi-Dimensional Expansion	23

## 01 Illuminating Foundations, Fortifying Sustainable Roots

Improving Governance, Fortifying Foundations	33
Party Building Leadership, Building Consensus	35
Strengthening Internal Control, Strictly Adhering to Compliance	37
Transparent Communication, Safeguarding Rights and Interests	39
Digital-Intelligent Integration, Enhancing Efficiency	40

## 02 Illuminating a New Chapter, Driving Industrial Progress

Innovation Leadership, Driving Development	45
Striving for Excellence, Strictly Controlling Quality	50
Reliable Service, Optimizing Experience	57
Data Security and Privacy Protection	59
Industrial Chain Leadership and Synergy Enhancement	61

## 03 Illuminating Nature, Practicing Green Development

Environmental Management, Standardized Procedures	67
Pollution Prevention and Emission Control	69
Climate Governance, Anchoring Dual Carbon Goals	71
Energy Management, Efficient Utilization	74
Harmonious Coexistence, Protecting Ecology	78

## 04 Illuminating Hearts, Building a Harmonious Ecosystem Together

Compliant Employment, Caring for Employees	81
Safety Production, Health Protection	86
Systematic Talent Cultivation, Empowering Growth	92
Industrial Synergy, Co-creating Value	94
Fulfilling Responsibilities, Contributing to Society	98

## Appendix

Report Index Table	102
Reader Feedback Form	103
Independent Assurance and Statement of Opinion	105



# About This Report

## Report Overview

The 2025 Environmental, Social and Governance (ESG) Report of Wuhan YIFI Laser Corp., Ltd. (hereinafter referred to as "this Report") is the second Environmental, Social and Governance (ESG) report published by Wuhan YIFI Laser Corp., Ltd. (hereinafter referred to as "YIFI Laser", "the Company", or "We"). Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, this report systematically reviews the Company's ESG practices and progress in 2025. By disclosing ESG performance and key initiatives, it aims to enhance communication with stakeholders, address their concerns regarding material ESG topics, and promote the continuous improvement of the Company's ESG management and performance, thereby better fulfilling our ESG commitments in the future.

## Reporting Period

This Report is an annual report. Unless otherwise stated, the reporting period covers from January 1 to December 31, 2025. To enhance the comparability and completeness of this report, certain content may refer to previous years or contain forward-looking statements.

## Reporting Scope

The content of this Report provides a detailed disclosure of the practices and performance of Wuhan YIFI Laser Corp., Ltd. and its subsidiaries in the areas of environment, social, and corporate governance. Unless otherwise specified, the scope of this Report is consistent with that of the 2025 Annual Report of Wuhan YIFI Laser Corp., Ltd.

## Data Sources and Reliability Assurance

Some data in this report are sourced from the 2025 Annual Report of Wuhan YIFI Laser Corp., Ltd. In case of any discrepancies between the financial data herein and the annual report, the latter shall prevail. All other data is compiled based on information provided by various departments of the Company and in light of the Company's actual operations. Unless otherwise specified, all currency amounts mentioned in this report are in Renminbi (RMB).

## Report Language

This Report is available in both Chinese and English versions. In case of any discrepancy between the two versions, the Chinese version shall prevail.

## Reporting Standards

This report has been prepared in reference to the requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the *Guide No.4 for Self-Regulatory Supervision*

*on Listed Companies of the SSE—Compilation of Sustainable Development Reports*, the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market - Compilation of Sustainable Development Reports (Revised January 2026)*, the *Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)*, and the *Guidelines for Corporate Sustainability Reporting in China (CASS-ESG 6.0)* issued by the China Enterprise Reform and Development Society. It also aligns with the 2030 United Nations Sustainable Development Goals (SDGs).

## Report Access

This report is available in electronic format for download on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company's official website (<https://www.yifilaser.com/>). Adhering to the principles of conservation and environmental protection, if you require a printed copy or have any questions or suggestions regarding the content of this report, please feel free to contact us by phone or email. The contact information is as follows:

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## Definitions

Item	Refers to	Meaning
YIFI Laser, the Company, we	Refers to	Wuhan YIFI Laser Corp., Ltd.
This Report	Refers to	YIFI Laser 2025 Environmental, Social and Governance (ESG) Report
Reporting Period, this Year	Refers to	The period from January 1, 2025 to December 31, 2025
YIFI Intelligent	Refers to	Wuhan YIFI Laser Intelligent Equipment Co., Ltd., a wholly-owned subsidiary of the Company
Jiangsu YIFI	Refers to	Jiangsu YIFI Laser Equipment Co., Ltd., a wholly-owned subsidiary of the Company
New Cohesion	Refers to	Wuxi New Cohesion Technology Co., Ltd., a controlled subsidiary of the Company
Ecosion	Refers to	Guangdong Ecosion Manufacturing Technology Co., Ltd., a controlled subsidiary of the Company
RMB, RMB 10,000 , RMB 100 Million	Refers to	Renminbi, Renminbi 10,000, Renminbi 100 Million

## Message from the Chairman

We are currently in a period of profound transformation unseen in a century, with a new wave of technological revolution and industrial change gathering momentum. Against the backdrop of the "dual carbon" strategy and energy transition, the new energy industry is facing historic opportunities while shouldering even greater responsibilities. For enterprises, the era of competing solely on volume is over. A new phase of development, centered on quality and driven by sustainability, has begun. YIFI Laser has always adhered to the principle of "long-termism", deeply integrating ESG concepts into our corporate strategy and daily operations, striving to create enduring value across environmental, social, and governance dimensions.

**We continuously reinforce our governance foundations to solidify the cornerstone of sustainable development.**

YIFI Laser has established a multi-tiered and layered ESG governance system comprising the decision-making level, the management level, and the execution level. This ensures that our sustainable development strategy is effectively promoted from the top down and that timely feedback is provided from the bottom up. The Board of Directors has established the Strategy and Development Committee, which coordinates material ESG matters. We continuously improve our internal control, compliance, and business ethics systems. We continuously improve our internal control system to optimize the framework of corporate governance. We also promote the integration of anti-commercial bribery and anti-corruption mechanisms into the entire process of system design, implementation, and supervision, establishing a closed-loop management framework in risk management, internal control and compliance, and business ethics.

**We drive green transformation through innovation, empowering industrial upgrading.**

As the leading enterprise in the new energy battery laser application industrial chain, we firmly believe that technological innovation is the core engine for sustainable development. In terms of platform development, the Company's application for the "Hubei Provincial Precision Laser Welding Pilot Platform" was selected as a provincial-level manufacturing pilot platform, focusing on bridging the "last mile" for technological innovation to transition from the laboratory to industrialization. In terms of intelligent equipment, we continue to advance product upgrades: Cylindrical battery equipment has seen continuous improvement in precision, yield rate, and stability through process and technology optimization; the fourth-generation prismatic cell intelligent assembly line has been upgraded and iterated, achieving batch delivery of multiple production lines, reconstructing the cell manufacturing logic through systematic innovation, and providing solid equipment support for the large-scale, high-quality development of the energy storage industry; the "Wuji" all-solid-state battery, jointly developed with Jinyu New Energy, has been delivered to an international top-tier customer; the third-generation photovoltaic perovskite battery intelligent equipment has achieved high-efficiency, high-quality,

and high-stability processing, with equipment uptime exceeding 98%. Concurrently, we have made breakthroughs in multiple key technologies, including laser drying, ultra-high-speed surface treatment for electrode coatings, and closed-loop monitoring of welding quality. These effectively improve efficiency, reduce energy consumption, and ensure quality, continuously contributing to the high-quality development of the new energy industry.

**We practice green development to protect our shared home.**

The Company integrates climate governance into its overall strategy, systematically identifying and managing climate-related risks. In 2025, we continuously advanced the optimization of our energy structure, with self-consumed photovoltaic power from factory rooftops exceeding 100 MWh. Through lean production and process optimization, we constantly improved resource utilization efficiency and reduced energy consumption per unit of output value. Regarding pollution prevention, we have established a standardized management system covering wastewater, exhaust gas, waste, and noise, ensuring that all operational activities comply with environmental regulations. We integrate the concept of a circular economy throughout the product lifecycle, promoting the recycling and reuse of packaging materials, making green a defining feature of our corporate development.

**We adhere to a people-oriented approach, creating value together with our employees, partners, and society.**

Our employees are our most valuable asset. Upholding the talent philosophy of "valuing both integrity and ability, prioritizing integrity, optimizing talent potential, and achieving shared growth", we are committed to building a diverse, equitable, and inclusive workplace where the legitimate rights and interests of every employee are protected. In 2025, employee training coverage remained at 100%, and we achieved our goal of zero safety accidents. We vigorously promote our tiered talent development program, enabling every employee to realize their value and achieve growth at YIFI Laser. We adhere to fair procurement practices, treat small and medium-sized enterprises equally, and empower our supply chain partners through training and communication to jointly fulfill social responsibilities. In terms of social contribution, we donated RMB 100,000 to the "Optics Valley Charity Student Grant" to support students in need. We actively participate in community development and rural revitalization, giving back to society through concrete actions.

Looking ahead, YIFI Laser will continue to uphold its mission of "dedicated to laser innovation, pioneering intelligent equipment upgrades." With an open attitude, the power of innovation, and a commitment to win-win cooperation, we will join hands with all stakeholders to create a green, low-carbon, and sustainable future!



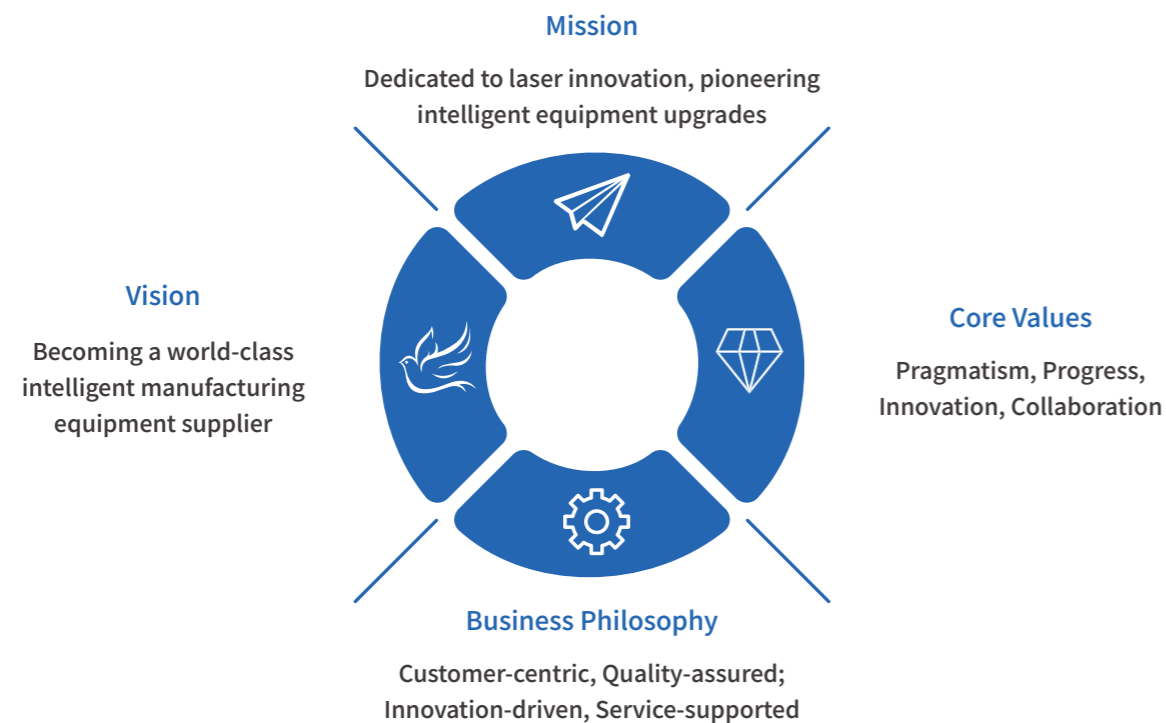
# About YIFI Laser

## Company Overview

Headquartered in Wuhan Optics Valley, China, YIFI Laser is a national high-tech enterprise specializing in the R&D, production, and sales of intelligent precision laser processing equipment. It is a nationally recognized, specialized, refined, distinctive, and innovative "Little Giant" enterprise, and a listed company on the STAR Market (SH688646). Consistently focusing on the field of intelligent laser processing equipment, the Company has established a technology and product system centered on precision laser processing technology and embodied in intelligent manufacturing equipment. Our main products encompass intelligent manufacturing solutions for cylindrical full-tab batteries, prismatic batteries, flexible module/PACK assembly, and intelligent logistics systems. These products are included in the National Manufacturing "Single Champion Product" list and the "Leading Technology" list of Sci-tech Innovation China, and are widely used in sectors such as new energy batteries, semiconductors, home appliances and kitchenware, and automotive components. The Company has constructed a novel innovation platform integrating "R&D innovation - engineering transformation - analysis and testing." This platform promotes the industrial application of emerging technologies, facilitates the intelligent upgrading of advanced industries such as new energy batteries, and underpins our ambition to become a world-class intelligent manufacturing equipment supplier.

<b>Founded in</b> <b>2005</b>	<b>Stock Code</b> <b>688646</b>	<b>Number of Employees</b> <b>1,153</b>	<b>R&amp;D and Production Bases</b> <b>6</b>
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## Corporate Culture



## Development Milestones

Since its establishment in 2005, YIFI Laser has been driven by technological innovation, evolving from self-developed lasers to "laser + automation" intelligent equipment, and subsequently to a comprehensive layout across the entire industrial chain. The Company has overcome key technological challenges in cylindrical full-tab battery processes, achieving domestic breakthroughs in fully automatic assembly lines for both prismatic and cylindrical full-tab batteries. It has established intelligent manufacturing bases, diversified into various fields, and successfully listed on the STAR Market in 2023. Having now established a new R&D platform and completed strategic acquisitions, YIFI Laser has become a National Industrial Design Center and a leading enterprise in the industrial chain, spearheading innovation in laser and high-end equipment technology.

### 2005—2010 Product R&D and Business Start-up

- YIFI Laser was established in Wuhan, China Optics Valley.
- Self-developed pulsed lasers with independent intellectual property rights achieved mass production.
- Won the title of "National High-Tech Enterprise".
- Established the Laser Application Test Center, constantly expanding the innovative application fields of laser technology.
- Overcame technical challenges in multi-tab/full-tab battery processing and equipment, launching a standalone welding machine for cylindrical full-tab battery.

### 2011—2014 Technological Iteration and Upgrading

- Established the South China Branch and fully advanced "Laser + Automation".
- Formed a lithium battery equipment R&D alliance with the Guangzhou Institute of Industrial Technology, Chinese Academy of Sciences.
- Launched various lithium battery laser welding assembly pilot lines.
- Broke through the "laser vertical welding" technology for prismatic batteries and pioneered automatic assembly lines for prismatic batteries.
- Achieved key technology breakthroughs in cylindrical full-tab batteries and pioneered automatic assembly lines for cylindrical full-tab batteries.

### 2015—2018 Industrial Synergistic Development

- Launched construction of the "YIFI Laser Intelligent Manufacturing Base in East China" project. Delivered the world's first automatic assembly lines for cylindrical full-tab batteries.
- Self-developed the first-generation flexible five-axis welding station.
- Comprehensively achieved intelligent upgrades for various cell, module, and PACK production lines.
- Launched automatic assembly lines for household appliances, kitchenware, green buildings, and automotive components.
- Recognized as "Hubei Provincial Enterprise Technology Center".

### Since 2024 Building Platform Systems

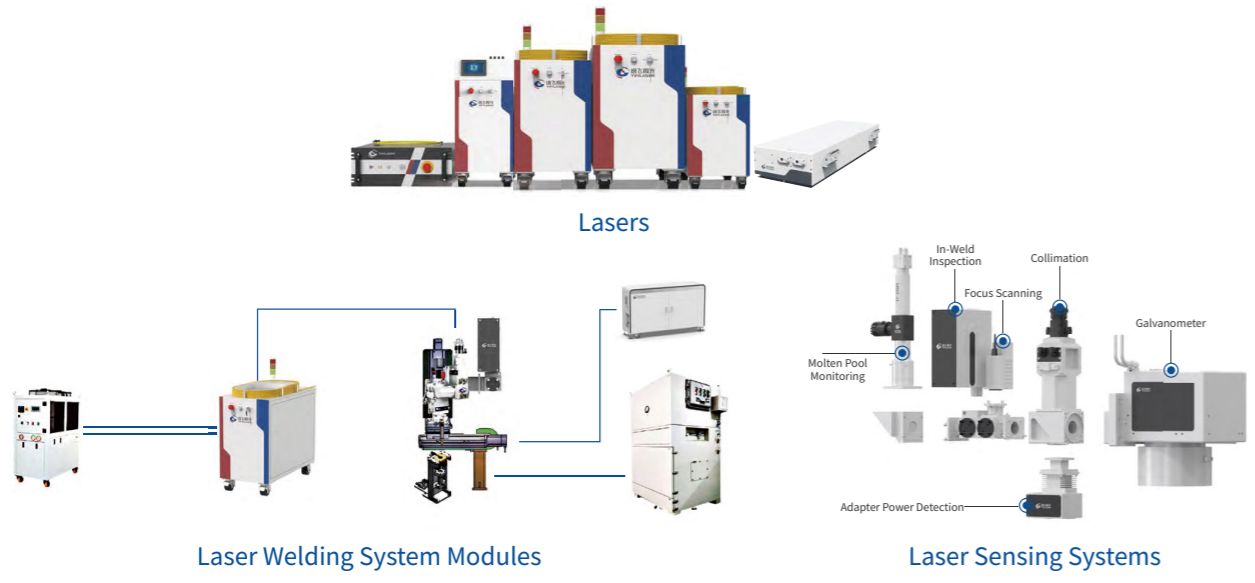
- Upgraded the construction of the YIFI Laser Engineering Technology Research Institute.
- Constructed a collaborative innovation platform for the industrial chain.
- Invested in and established Ecosion, setting up an R&D and intelligent manufacturing base in South China.
- Strategically acquired New Cohesion, venturing into the smart logistics industry.
- Accredited as a "National Industrial Design Center."
- Appointed as the chain leader of the laser application industry for new energy batteries in Hubei Province.
- Jointly established the "Laser Application and Premium Equipment Innovation Hub" with Wuhan Industrial Innovation Development Institute (WIDI).

### Capital Operation and Growth 2019—2023

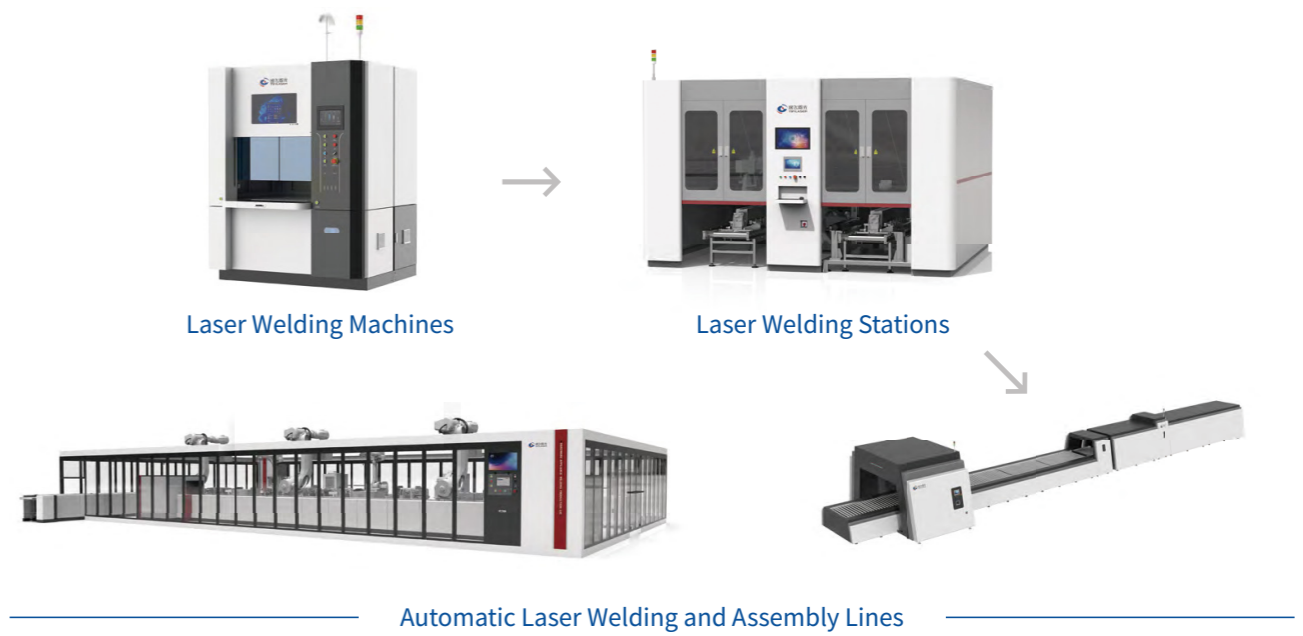
- Listed on the STAR Market.
- The 360ppm cylindrical full-tab battery intelligent assembly line rolled off the production line.
- Launched construction of the "Intelligent Manufacturing Headquarters Base in Central China" project.
- Achieved mass production and delivery of cylindrical full-tab cell intelligent assembly lines.
- Awarded as a specialized, refined, distinctive, and innovative "Little Giant" enterprise, which received national key support.
- Honored on the "Leading Technology" list of the China Association for Science and Technology.
- Selected for the National Manufacturing Industry "Single Champion Product" list.

# Products and Solutions

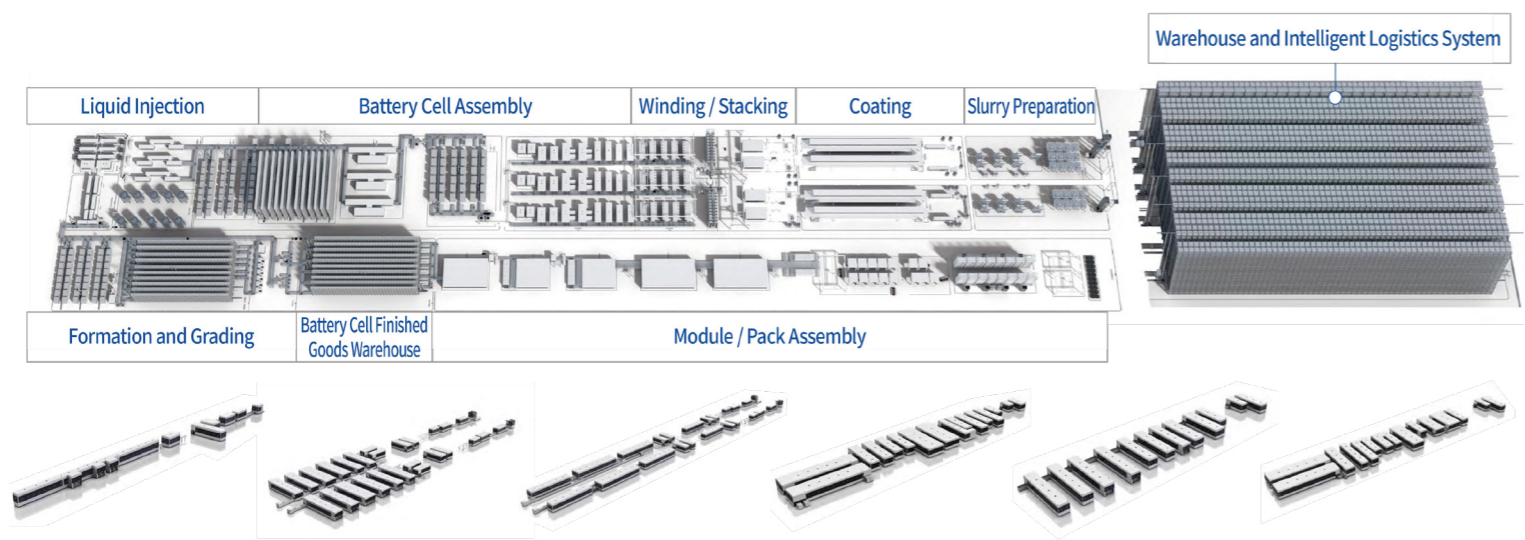
## Core Modules of Laser Systems



## Laser Intelligent Equipment

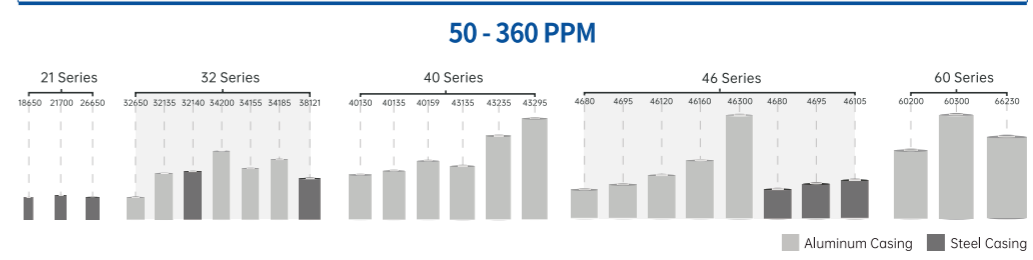


## Intelligent Manufacturing Solutions for Battery Cells

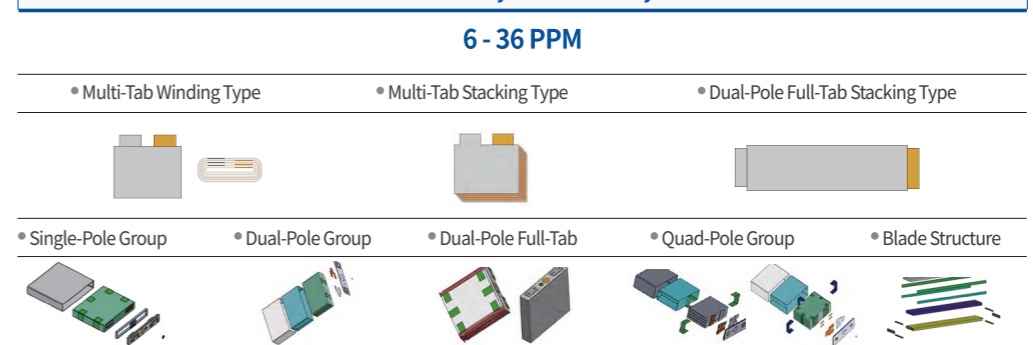


**Critical Processes in Battery Cell Assembly**  
 Tab Forming | Tape Sticking | Cell Tray Loading | Can Insertion | Current Collector Welding | Lid Closing Welding | Keyhole Welding | Electrolyte Injection | Sealing Welding | Sealing Pin Welding | Helium Leak Detection | Laser Cleaning | Sleeving | Laser Coding

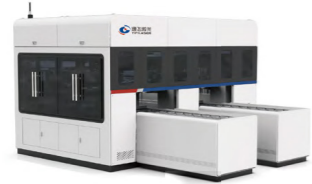
### Cylindrical Tabless Battery Cell Assembly Lines



### Prismatic Battery Cell Assembly Lines



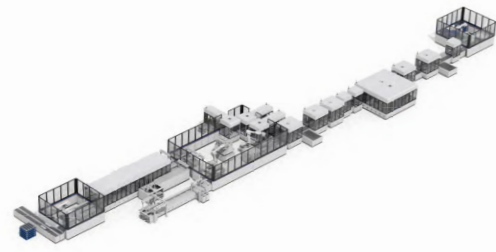
### Battery System Assembly Solutions



Laser Welding Station



Cylindrical Battery Module Mass Production Equipment

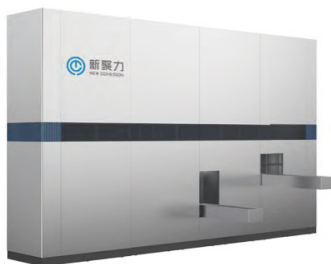


Prismatic Battery Module Mass Production Equipment



Pouch Battery Module Mass Production Equipment

### AMHS Systems for Semiconductor Factory



Line-side Stocker



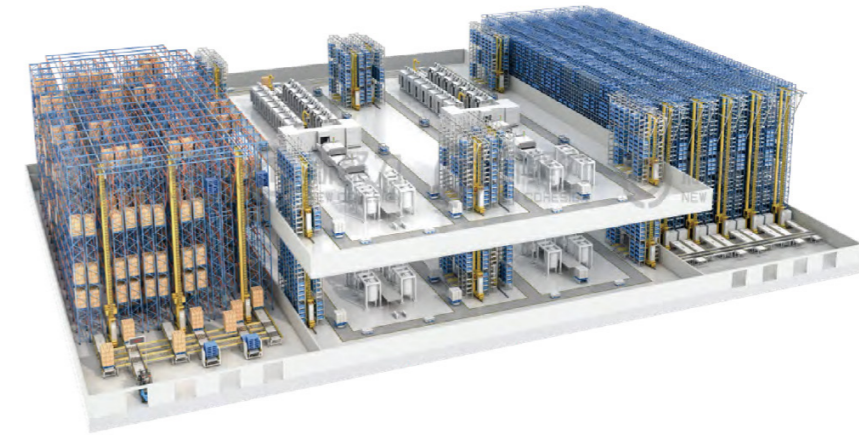
High-speed Vertical Lift Tower



Overhead Hoist Transport (OHT) System

### EPC-Level Smart Logistics System Solutions

#### Intelligent Logistics System Solution Provider for All Industries



Solution Planning	Core Equipment	Software System	Project Implementation
<ul style="list-style-type: none"> <li>Site Survey and Planning</li> <li>Pre-sales Solution Design</li> <li>Detailed Implementation Plan</li> </ul>	<ul style="list-style-type: none"> <li>Production Line Automation Equipment</li> <li>Intelligent Logistics Scheduling System</li> <li>Intelligent Warehousing System</li> <li>AMHS System</li> </ul>	<ul style="list-style-type: none"> <li>MES System</li> <li>LMS/WMS</li> <li>WCS/ACS</li> <li>CIM</li> </ul>	<ul style="list-style-type: none"> <li>Equipment Installation</li> <li>Equipment Commissioning</li> <li>Software Debugging</li> </ul>

### Manufacturing Software Systems

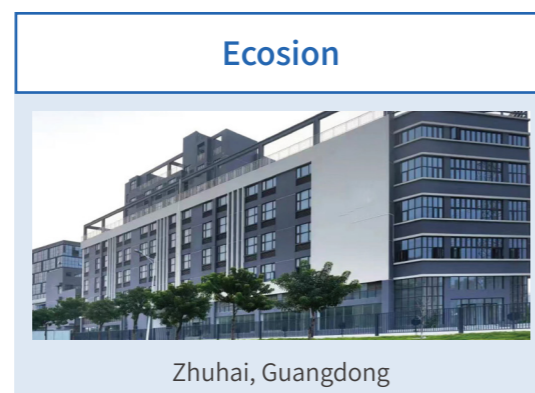
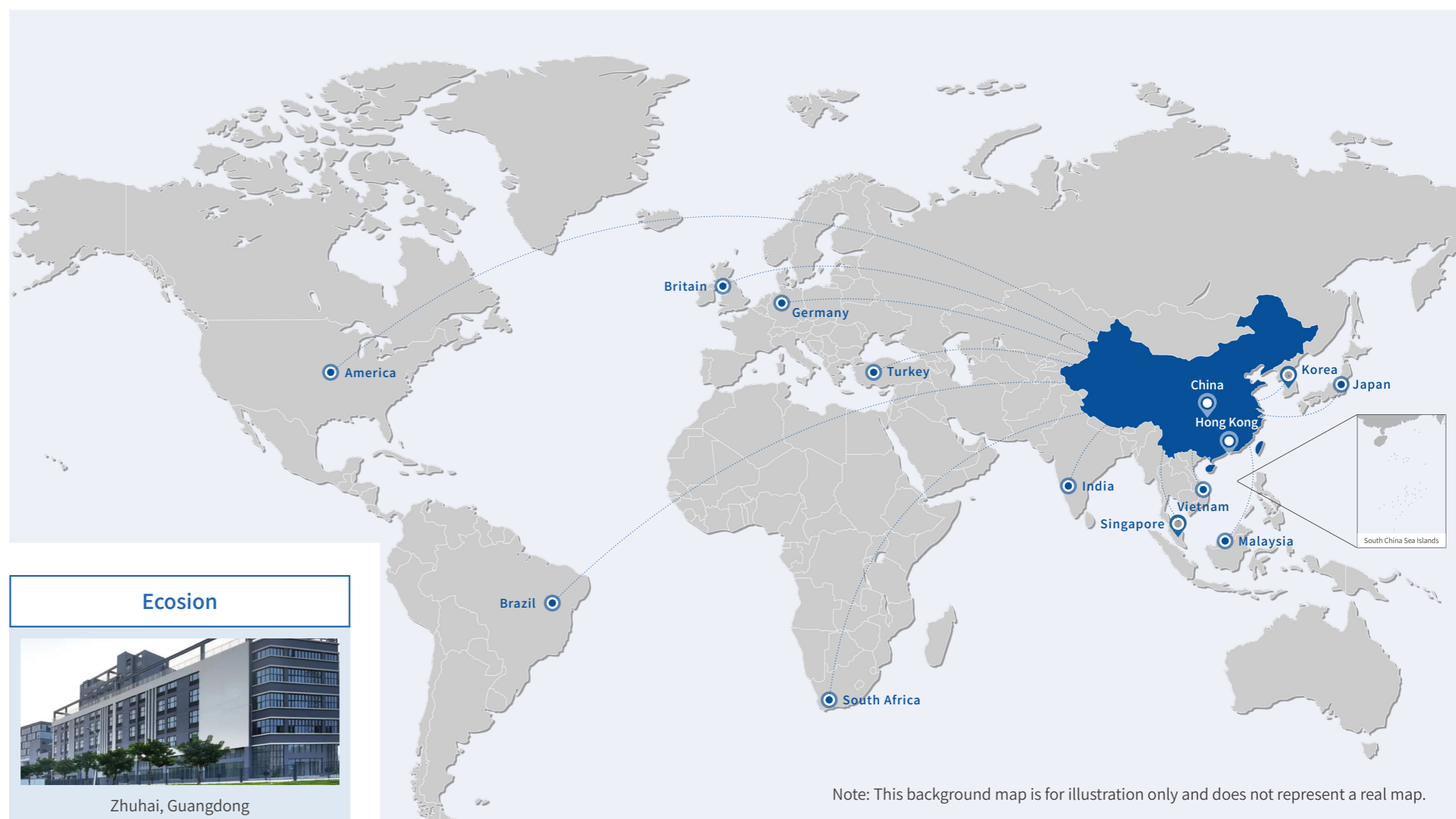
#### Utilizing Digital Twin Technology for Visualized Operations in Digital Factories

Factory Visualization >>> Production Line Visualization >>> Equipment Visualization >>> Equipment Structure Visualization

<p>MES Software Energy Management Software</p>	<p>LES/WMS Software Standard Equipment Interfaces Modular Installation Design</p>	<p>WCS Software Core Equipment: Stacker Cranes, Conveyor Lines, Robotic Workstations</p>	<p>PLC Control Programs Standardized Component Design</p>
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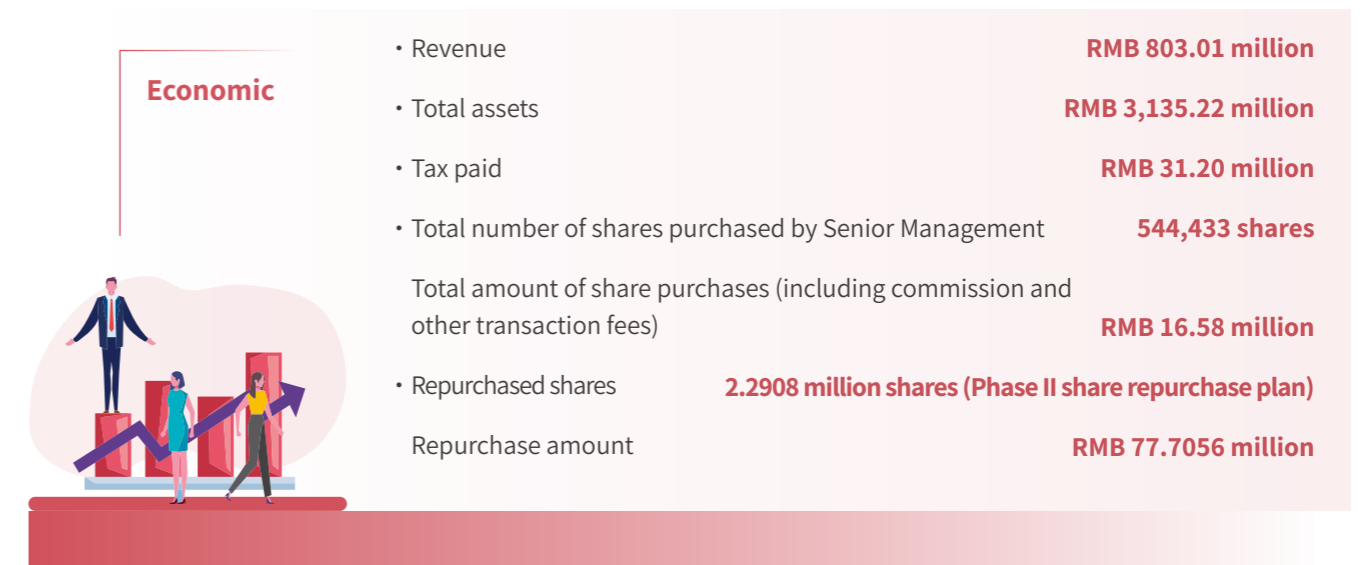
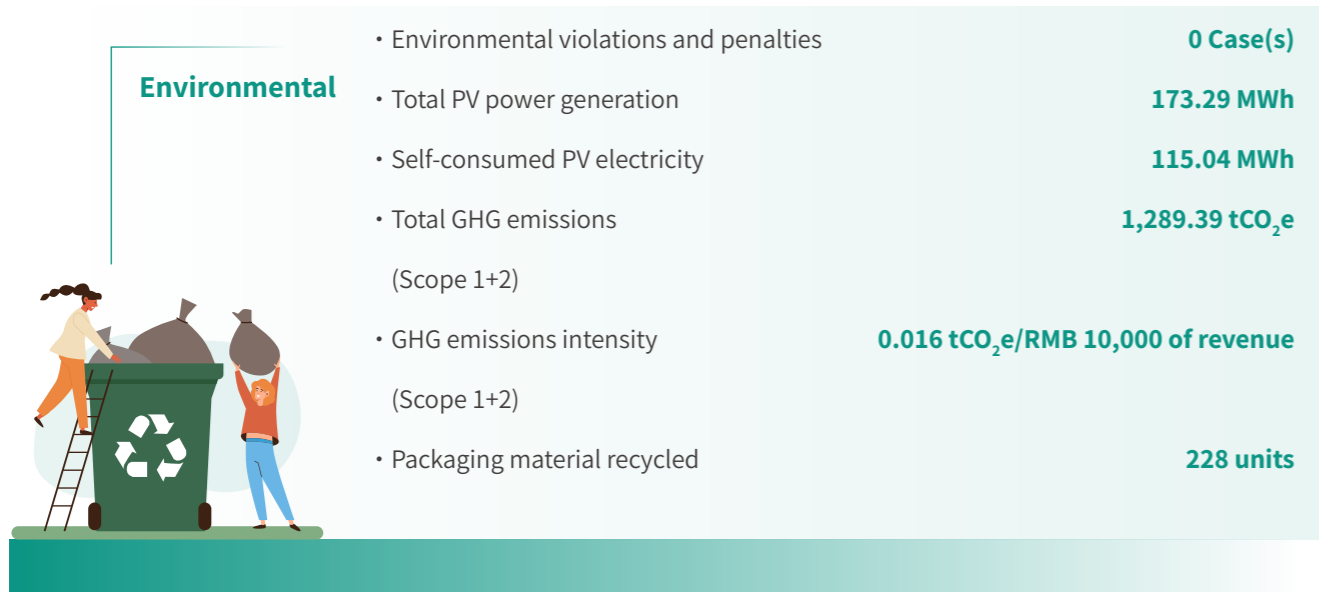
## Global Business Presence

The company steadfastly advances its globalization strategy, establishing production bases and R&D centers in key regions such as Central China, East China, and South China, and setting up subsidiaries/second-tier subsidiaries in countries including Singapore and South Korea. It provides customers with integrated R&D, production, and sales services, building an efficient and synergistic global business operation system. Currently, the company's core products have achieved sales in multiple countries and regions, including the United Kingdom, Germany, Brazil, India, Japan, South Korea, Turkey, and Vietnam, receiving wide acclaim from global customers.



Note: This background map is for illustration only and does not represent a real map.

## ESG Key Highlights



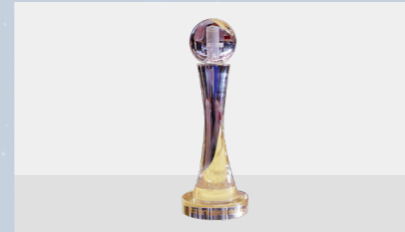
## Annual Honors and Awards



2025 Lithium Vision Award - Innovative Company of the Year  
Organizing Committee of the International Summit on Power Battery Applications (CBIS), CBEA



2025 Lithium Vision Award - Influential Company of the Year  
Organizing Committee of the International Summit on Power Battery Applications (CBIS), CBEA



GGII 15-Year Technology Leap Award  
GGII



Gold Award of the World Battery & Energy Storage Industry Expo  
Organizing Committee of the World Battery Industry Expo, Guangdong Battery Industry Association



Technological Innovation Enterprise of the World Battery & Energy Storage Industry Expo  
Organizing Committee of the World Battery Industry Expo, Guangdong Battery Industry Association



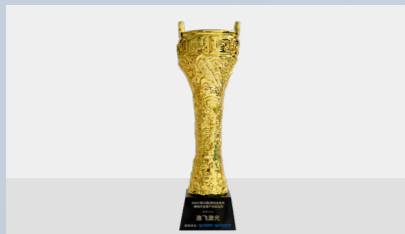
Leading Enterprise Award by Guangdong Battery Industry Association, Advanced Equipment Enterprise Award, Technological Innovation Enterprise Award  
Guangdong Battery Industry Association



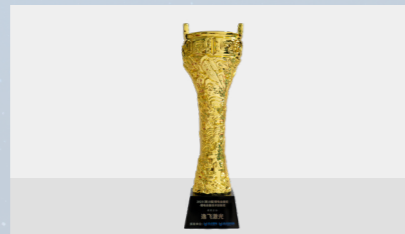
2025 Veken Cup • OFweek Outstanding Brand in Lithium Battery Equipment  
OFweek Lithium Battery



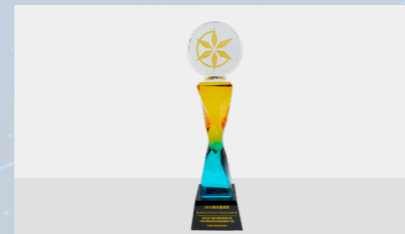
Hubei Premium Product  
Office of Hubei Brand Promotion Mechanism



Trusted Brand in the Lithium Battery Industry



Equipment Technology Innovation Award



China Laser Star Rising Award

Starting Point Lithium Battery & SPIR

Organizing Committee of the China Laser Star Rising Award

## Corporate Certifications



National Manufacturing Single Champion  
Ministry of Industry and Information Technology of the PRC, China Federation of Industrial Economics



National Industrial Design Center  
Ministry of Industry and Information Technology of the PRC



National Intellectual Property Advantage Enterprise  
China National Intellectual Property Administration (CNIPA)



Sci-Tech Innovation China Leading Technologies List  
China Association for Science and Technology



National Specialized, Refined, Distinctive, and Innovative "Little Giant" Enterprise  
Ministry of Industry and Information Technology of the PRC

## ESG Governance

Guided by the principles of sustainable development, YIFI Laser fully addresses and responds to the legitimate concerns of all stakeholders. We continuously deepen our communication and collaboration mechanisms, proactively incorporate opinions and suggestions from all parties, and consistently enhance the scientific rigor and transparency of its decision-making processes related to sustainable development.

### ESG Governance Structure

To continuously improve its sustainable development management, YIFI Laser has established a multi-tiered and layered ESG governance system with clearly defined responsibilities. The Company's ESG governance structure consists of the decision-making level, the management level, and the execution level, forming a top-down management mechanism and a bottom-up feedback mechanism.

The decision-making level comprises the Board of Directors and its subordinate Strategy and Development Committee. The management level is the ESG Management Working Group, led by the Securities Affairs Department, with the participation of heads of various departments and relevant ESG liaison officers. The execution level consists of all functional departments and subsidiaries, which are responsible for implementing related tasks. In accordance with internal policies such as the *Detailed Rules for the Work of the Strategy and Development Committee* and the *ESG Management Policy*, the Company clearly defines the roles and responsibilities of each level, ensuring the effective promotion and implementation of ESG strategies, systems, and related matters.

Management Level	Organizational Structure	Responsibilities
Decision-making Level	Board of Directors	<ul style="list-style-type: none"> <li>Review and approve the Company's ESG development strategy, target plans, material topics, and related management systems.</li> <li>Review and approve the Company's annual ESG report.</li> </ul>
	Strategy and Development Committee	<ul style="list-style-type: none"> <li>Promote the integration of ESG concepts into the Company's overall development strategy and plans, and provide recommendations on the Company's long-term development direction.</li> <li>Research and propose recommendations on ESG-related systems, strategic objectives, and reporting matters.</li> <li>Identify and assess ESG-related risks and opportunities for the Company, and propose management recommendations.</li> <li>Conduct research and form opinions on material ESG matters affecting the Company's development.</li> <li>Inspect and supervise the implementation of relevant matters and report to the Board of Directors.</li> <li>Perform other duties as authorized by the Board of Directors.</li> </ul>
Management Level	ESG Management Working Group	<ul style="list-style-type: none"> <li>Formulate the Company's ESG strategic plan and related policies and systems.</li> <li>Drive the execution of the ESG strategy and the fulfillment of related responsibilities.</li> <li>Establish and improve the ESG work reporting mechanism, and regularly report progress to the Strategy and Development Committee.</li> <li>Collect and analyze stakeholder demands, and organize the formulation of the Company's strategies and measures to address ESG impacts, risks, and opportunities.</li> <li>Organize the preparation and disclosure of the annual ESG report.</li> <li>Coordinate and advance other ESG-related work.</li> </ul>
Execution Level	Functional Departments and Subsidiaries	<ul style="list-style-type: none"> <li>Collect and submit data on ESG-related indicators, and report progress and key actions as required for the annual report preparation.</li> <li>Establish and improve specific ESG management systems within their respective areas of responsibility.</li> <li>Implement management measures corresponding to each topic.</li> <li>Conduct stakeholder communication based on departmental responsibilities and respond to reasonable requests.</li> <li>Cooperate in the collection and organization of ESG information.</li> <li>Participate in ESG awareness, training, and other activities organized by the Company.</li> <li>Perform other ESG-related duties.</li> </ul>

## Stakeholder Engagement

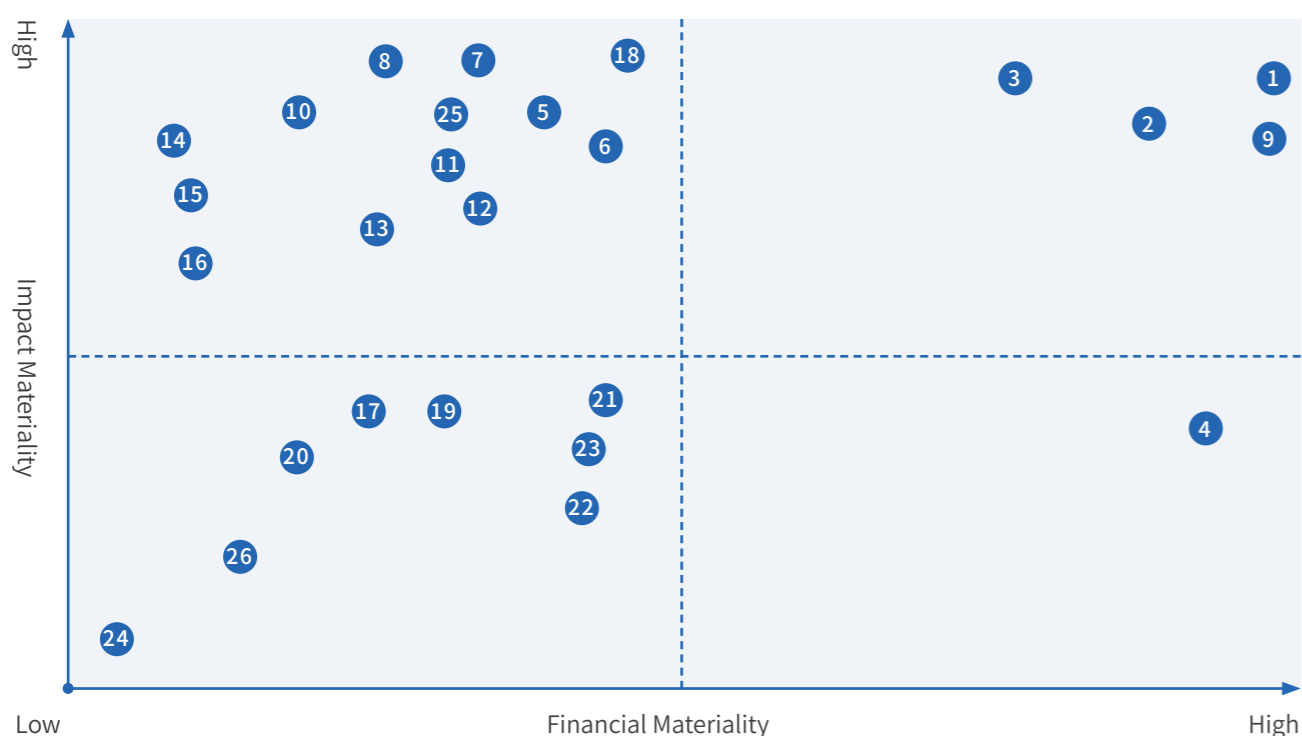
We consistently prioritize the concerns and expectations of our stakeholders. We actively maintain open communication with all parties, extensively solicit and carefully consider their opinions and suggestions, and formulate and implement improvement measures around key issues. The Company continuously promotes the integration of sustainable development concepts into the entire process of operation management and strategic planning, contributing to the long-term goal of achieving high-quality and stable development.

Stakeholder	Expectations and Demands	Communication and Response
 Investors and Shareholders	Good corporate governance Sound risk management Compliance information disclosure Protection of investor rights and interests	Strict implementation of corporate governance systems General Meeting of Shareholder Information disclosure Performance briefings Actively responding to investor inquiries on the SSE E-Interaction platform Maintaining an open investor relations email Diligently answering investor hotline calls Hosting investor research visits
 Government and Regulators	Compliance operation Sustainable development management Green and low-carbon operations Ecological environment protection Upholding business ethics Protecting employees' rights and interests Participating in social welfare	Field visits and research Regular reporting and communication Proactively accepting supervision Environmental compliance management Promoting low-carbon production practices Legal and compliant employment Participating in social welfare
 Customers	High-quality products and services Customer privacy protection R&D and innovation Digital transformation	Improving product quality Customer follow-up visits Promptly addressing customer issues Strict protection of customer privacy Establishing long-term cooperative partnerships Advancing R&D innovation and digital transformation Improving intellectual property protection
 Employees	Protecting employees' legitimate rights and interests Valuing career development and training Competitive compensation and benefits Ensuring occupational health and safety Work-life balance	Protecting employees' rights and interests Improving communication channels Enhancing employee training and skills Democratic communication Employee activities Ensuring safety production Labor Union
 Suppliers	Stable and reliable partnerships Achieving integrity and mutual benefit Promoting industry development and technological progress	Performing contracts in accordance with the law Cooperation with integrity Open tendering Conducting supplier communication and training sessions
 Community	Promoting employment Serving community development Engaging in public welfare, charity, and rural revitalization	Localized employment Organizing volunteer and public welfare activities Active communication and exchange with the community Actively promoting consumption-driven poverty alleviation initiatives
 Partners	Engaging in industry cooperation Promoting industry-university-research collaboration	Building a collaborative innovation platform Participating in the development of industry standards Participating in exhibitions Attending industry summits and forums Participating in industry-related associations Participating in industry-university-research cooperation

## Double Materiality Analysis

Based on extensive communication with stakeholders, and in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)*, the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports*, and the *GRI Sustainability Reporting Standards*, the Company adheres to the principle of double materiality. By integrating expert advice and referencing advanced industry practices, we systematically review and dynamically optimize material topics to identify those with financial materiality and impact materiality. Based on the identification results, the Company promotes targeted management and information disclosure of relevant topics, responds to them in this report, and continuously advances the implementation of sustainable development goals.

### YIFI Laser 2025 Double Materiality Matrix



- |   |  |  |
|---|--|--|
| 1 Innovation-driven                           | 9 Providing green and low-carbon products        | 18 Internal control compliance and risk management |
| 2 Product and service safety and quality      | 10 Pollutant emissions                           | 19 Social contributions                            |
| 3 Occupational health and safety production   | 11 Employee training and development             | 20 Rural revitalization                            |
| 4 Addressing climate change                   | 12 Employee rights and benefits                  | 21 Fair treatment of SMEs                          |
| 5 Digital transformation                      | 13 Data security and customer privacy protection | 22 Due diligence                                   |
| 6 Environmental compliance management         | 14 Waste management                              | 23 Supply chain security                           |
| 7 Stakeholder engagement                      | 15 Energy utilization                            | 24 Ethics of science and technology                |
| 8 Anti-commercial bribery and anti-corruption | 16 Water resources utilization                   | 25 Fair competition                                |
|   | 17 Circular economy                              | 26 Ecosystem and biodiversity protection           |

## Contributing to the UN SDGs

SDGs	Responsible Actions of YIFI Laser	Chapter Index
	<ul style="list-style-type: none"> <li>Establish a sound compensation and benefits system, and enhance employee income through compensation and benefit policies such as employee stock ownership platforms, IPO strategic allotment, and performance bonuses.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>Emphasize the construction of a safety standardization system, and obtain and maintain a valid ISO 45001 Occupational Health and Safety Management System certification.</li> <li>Implement and promote 5S management.</li> <li>Organize and implement multiple company-level and departmental-level safety emergency drills, achieving 100% safety training coverage.</li> <li>Provide employees with PPEs.</li> <li>Provide mental health support for employees.</li> <li>Organize diverse and enriching employee activities.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>Advance the tiered talent development program.</li> <li>Employee training coverage rate reached 100%.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>Promote gender equality and job diversity, gradually increase the proportion of female employees, and pay close attention to the well-being of female employees.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>Implement multiple water-saving measures for production and domestic water use, and install water-saving valves or faucets to prevent leaks and drips.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>Actively promote the use of clean energy by installing PV power stations on factory rooftops.</li> <li>Install new energy vehicle charging stations in the industrial park.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>Optimize the organizational structure and promote highly matched job placements through a combination of internal selection and external recruitment.</li> <li>Adopt diverse employment forms, including full-time employees, project-based personnel, and hourly workers, to safeguard employee compensation and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>
	<ul style="list-style-type: none"> <li>As the leading enterprise in the "new energy battery laser application industrial chain", we have constructed a novel innovation platform integrating "R&amp;D innovation - engineering transformation - analysis and testing", actively promoting the industrialization of leading technologies in the advanced new energy battery and laser industries.</li> <li>Provide talent and financial support for technological innovation, and improve R&amp;D incentive mechanisms.</li> <li>Develop green technologies with low energy consumption, high flexibility, and intelligent capabilities.</li> <li>Actively promote photovoltaic power generation.</li> </ul>	<ul style="list-style-type: none"> <li>Feature: Platform Enhancement and Multi-Dimensional Expansion: The "Laser + Intelligent Equipment" Strategy Driving a New Paradigm of Sustainable Development</li> <li>Illuminating a New Chapter, Driving Industrial Progress</li> <li>Illuminating Nature, Practicing Green Development</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure compliant information disclosure, safeguard investor rights and interests, and guarantee the right of small and medium-sized investors to participate equally in corporate governance.</li> <li>Practice equal employment, and promote gender equality and job diversity.</li> <li>Actively engage in public welfare initiatives, focusing on education, health, and poverty alleviation, and give back to society through charitable donations and other means.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Foundations, Fortifying Sustainable Roots. Illuminating Hearts, Building a Harmonious Ecosystem Together.</li> </ul>
	<ul style="list-style-type: none"> <li>Build a responsible supply chain to promote its security, stability, and green development.</li> <li>Reduce production energy consumption and resource consumption.</li> <li>Increase the proportion of clean energy usage.</li> <li>Ensure compliance in the discharge of waste gas, wastewater, and solid waste to reduce environmental pollution.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating a New Chapter, Driving Industrial Progress</li> <li>Illuminating Nature, Practicing Green Development</li> </ul>
	<ul style="list-style-type: none"> <li>Integrate climate change response into the Company's strategy, continuously enhancing our resilience to climate change risks and our ability to seize climate-related opportunities.</li> <li>Alleviate environmental burdens by optimizing the energy mix and reducing emissions and carbon footprints.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Nature, Practicing Green Development</li> </ul>
	<ul style="list-style-type: none"> <li>Improve the ESG governance structure to promote sustainable operations.</li> <li>Uphold business ethics and continuously optimize the anti-corruption management system. Suppliers are required to sign the <i>Integrity Agreement</i>, and employees must sign the <i>Integrity Commitment Letter</i>.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating Foundations, Fortifying Sustainable Roots</li> </ul>
	<ul style="list-style-type: none"> <li>Establish strategic partnerships with industrial chain partners to promote the construction of a joint innovation ecosystem.</li> <li>Participate in industry associations, take the lead in standard development, and organize or participate in technical seminars.</li> </ul>	<ul style="list-style-type: none"> <li>Illuminating a New Chapter, Driving Industrial Progress</li> <li>Illuminating Hearts, Building a Harmonious Ecosystem Together</li> </ul>

# Platform Enhancement and Multi-Dimensional Expansion: The "Laser + Intelligent Equipment" Strategy Driving a New Paradigm of Sustainable Development

In 2025, focusing on the strategic direction of "Laser + Intelligent Equipment", YIFI Laser continuously advanced its platform capabilities and expanded multi-scenario applications, establishing a continuous innovation system synergistically driven by "laser technology, intelligent equipment technology, and process applications." Leveraging its accumulated system integration and engineering capabilities, while solidifying its core business of intelligent precision laser processing equipment, the Company accelerated its expansion into cutting-edge fields such as solid-state batteries, PV perovskites, and embodied intelligence. This has driven a shift in key technologies from single-point breakthroughs to platform-enabled empowerment and industrial synergy.

By establishing a collaborative innovation platform for new energy battery laser applications and a high-end equipment innovation hub, the Company continuously strengthens its capabilities in R&D validation, engineering transformation, and scale replication. While enhancing the collaborative efficiency of the industrial chain, this injects sustained momentum into the upgrading of green manufacturing and the high-quality development of emerging industries.

## 01 R&D Support: Building a Novel Innovation Platform to Strengthen the Foundation of Sustainable Development Capabilities

YIFI Laser has established a novel innovation platform integrating "R&D innovation - engineering verification - analysis and testing," emphasizing the continuity, integrity, and reliability of innovation activities, forming a closed-loop R&D system oriented towards industrialization.

In terms of organizational structure and capability allocation, the innovation platform is equipped with 23 specialized laboratories covering areas such as advanced laser components, laser systems, laser processes, intelligent software, intelligent equipment, and digital twins. It is supported by over 200 sets of advanced equipment, including industrial CT scanners, scanning electron microscopes, X-ray diffractometers, beam quality analyzers, spectrophotometers, and electrical performance testing equipment. The platform enables 119 analysis and testing items related to mechanical structure, material composition, optical performance, electrical performance, safety, and other aspects. It has also established full-industry-chain pilot-scale verification platforms for battery structural components, cell pilot-scale verification, battery pack application, and battery recycling and disassembly. Aligned with the needs of industrial transformation and upgrading, the platform serves the innovation R&D, engineering verification, testing certification, performance testing, and commercialization of technological achievements needs of the new energy battery industry chain. It conducts targeted technology development initiatives, enhances innovation efficiency, increases the value of achievement transformation, and empowers high-quality industrial development.

Innovation Certifications: Comprehensive layout of national and provincial innovation platforms, solidifying the foundation for technology R&D and engineering transformation



Innovation Resources: Pooling the strengths of universities and research institutions to promote a multi-dimensional collaborative innovation ecosystem

### 产学研合作



Innovation Assurance: Building a laboratory system aligned with international standards to strengthen support for analysis, testing, and engineering verification

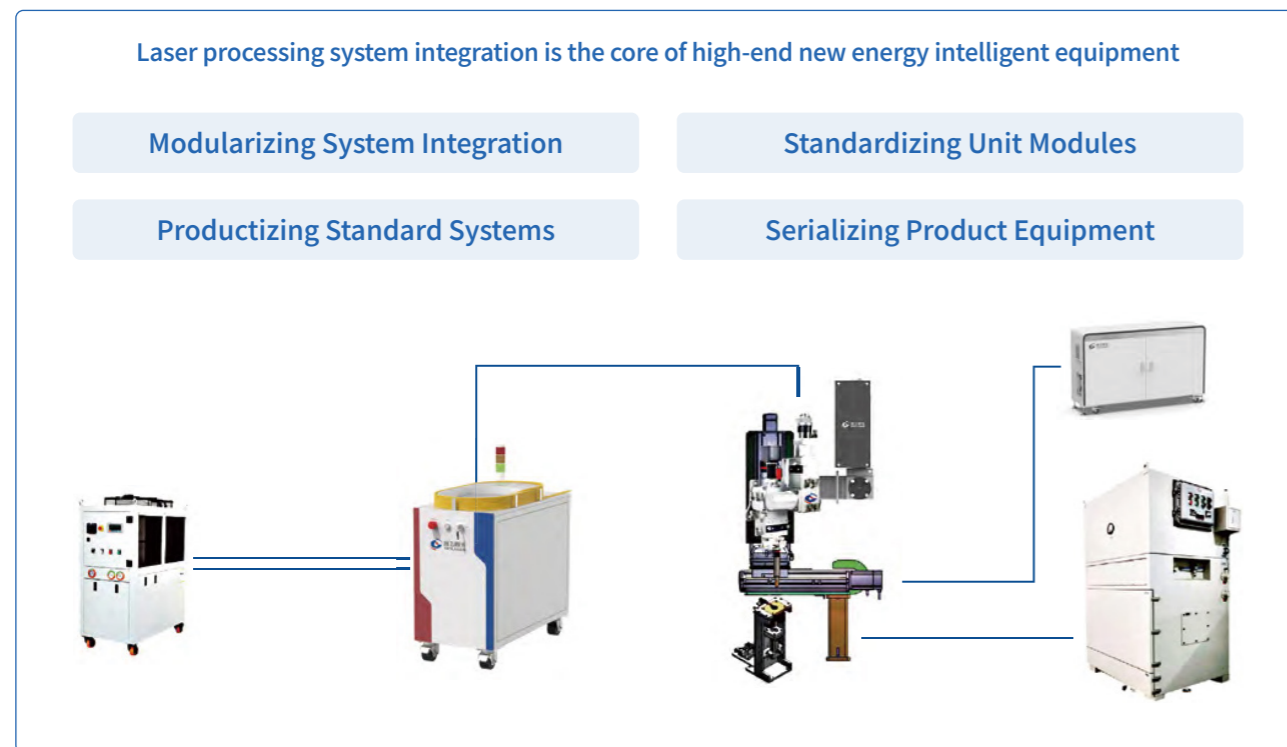


CNAS Laboratory Accreditation

## 02 Platform Enhancement: Enhancing Replicability Through System Integration via "Modularization - Standardization - Productization"

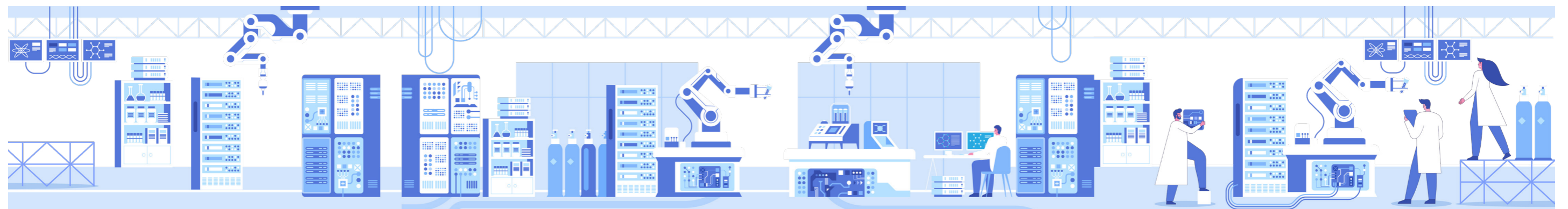
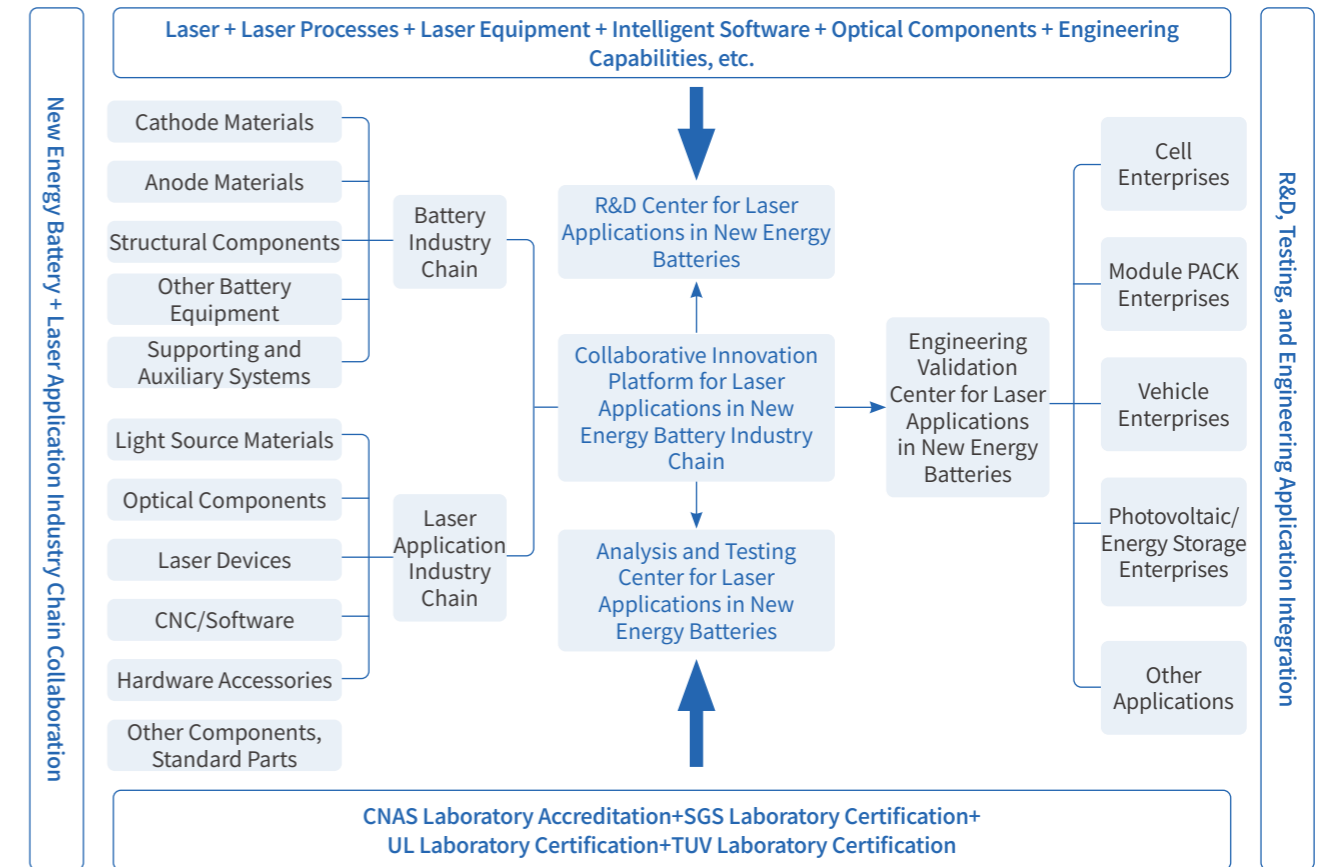
In the process of industrializing equipment and processes, YIFI Laser regards "system integration" as one of its core capabilities for high-end new energy intelligent equipment. Centered on the principles of "modularizing system integration, standardizing unit modules, productizing standard systems, and serializing product equipment", we build a system for capability accumulation and large-scale reuse, driving the upgrade of equipment delivery from stand-alone units to systematic solutions.

With system integration as the core, advancing modularization, standardization, productization, and serialization



Leveraging the collaborative innovation platform for the new energy battery laser application industrial chain, the Company organically integrates lasers, optical components, intelligent software, engineering capabilities, and key links in the battery industry chain. This establishes an integrated support system covering "R&D - engineering verification - analysis and testing - industrial application." Through the coordinated operation of the New Energy Battery Laser Application R&D Center, Engineering Verification Center, and Analysis and Testing Center, the Company achieves end-to-end integration from material adaptation and process development to final equipment assembly, enhancing the reliability and replicability of its system solutions.

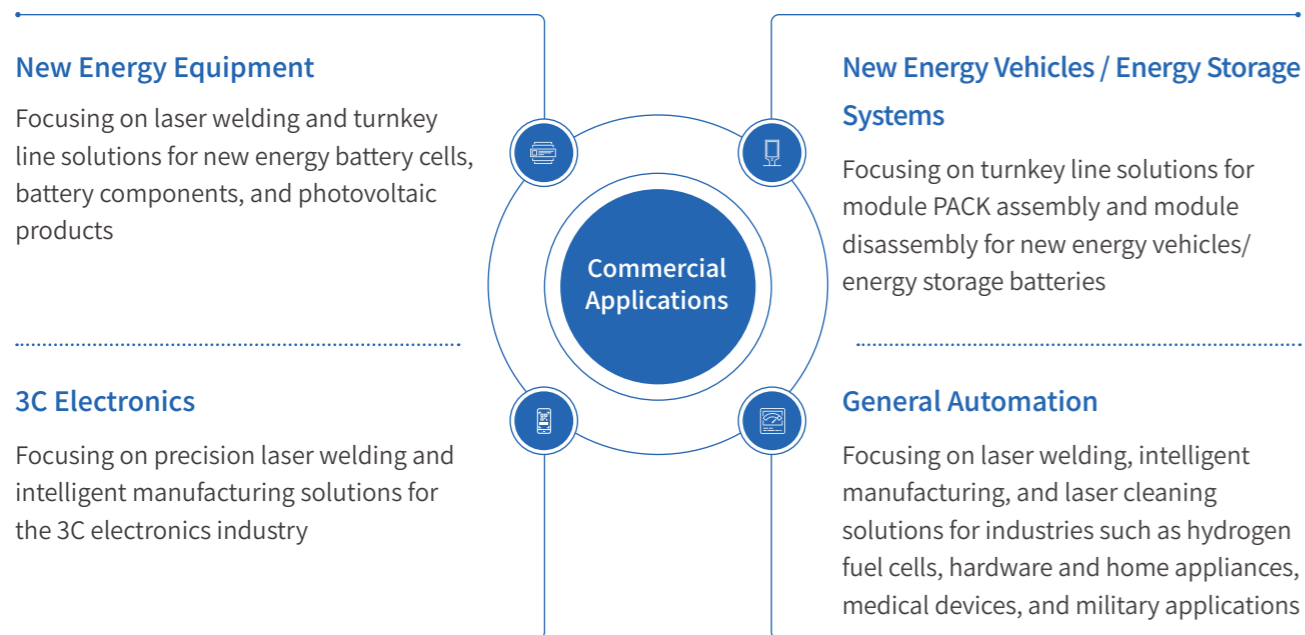
### Industrial Chain Collaborative Innovation Platform



### 03 Multi-Dimensional Expansion: Application-Oriented Multi-Industry Solutions

Guided by an "application-oriented" innovation approach, YIFI Laser extends its laser welding and turnkey line solutions from new energy battery cells, battery components, and photovoltaic products to precision welding and intelligent manufacturing in 3C electronics, turnkey lines for module and PACK assembly and disassembly for new energy vehicles/energy storage systems (ESS). It also expands into general-purpose automation solutions for fields such as hydrogen fuel cells, medical devices, and the military industry, including laser welding, intelligent manufacturing, and laser cleaning.

Focusing on the commercial application portfolio across multiple sectors, including new energy equipment, 3C electronics, new energy vehicles/energy storage, and general automation



In terms of application layout, the Company's collaborative innovation achievements feature capabilities such as "magnetic levitation, turret technology, intelligent logistics, flexible automated production lines, and photovoltaic intelligent equipment", providing tangible engineering tools for promotion across multiple scenarios.

Committed to empowering multi-scenario applications of high-end new energy intelligent equipment



Furthermore, technological breakthroughs in the field of intelligent logistics have further enhanced the Company's overall solution service capabilities, covering the entire process from raw material warehousing, production flow, to finished product outbound. Targeting high-cleanliness and high-precision scenarios such as semiconductors, it has formed integrated solutions from hardware equipment to software control, providing support for the engineering implementation of solutions across multiple industries.

### 04 Cutting-Edge Layout: Empowering High-Quality Development of Emerging Industries

#### 1. Strategic Layout in Solid-State Batteries: Driving Industrialization Through Collaborative Innovation

As new energy batteries accelerate towards higher safety and energy density, solid-state batteries are gradually becoming a key development direction for the industry. Focusing on the critical aspects of solid-state battery industrialization, YIFI Laser continuously deepens its equipment innovation and industrial synergy.

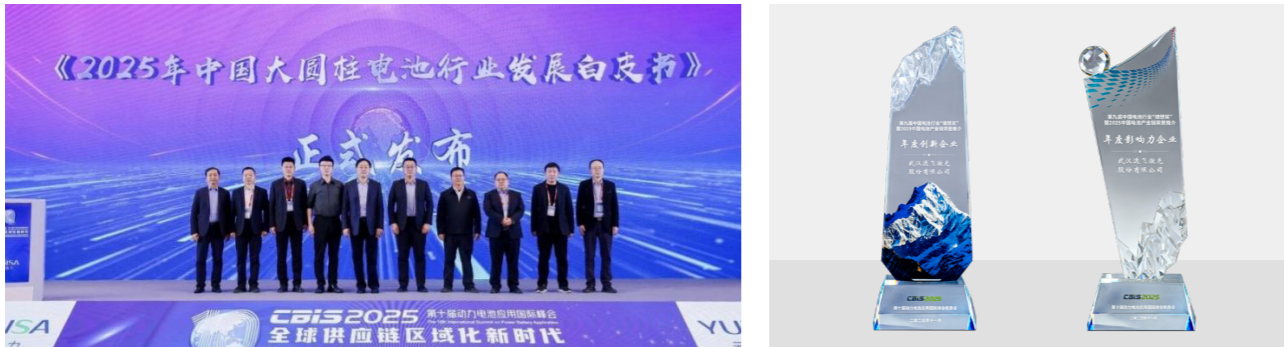
In April 2025, YIFI Laser signed a strategic cooperation agreement with GF Energy to collaborate on equipment R&D, process optimization, market promotion, and industrial chain synergy for full-tab solid-state batteries and prismatic aluminum-case solid-state batteries. Relying on its integrated "technology R&D - engineering transformation - analysis and testing" platform, the Company collaboratively advances the development and process finalization of post-electrode section equipment for solid-state batteries, contributing to the construction of an intelligent manufacturing system for solid-state batteries. In September of the same year, a breakthrough was achieved in their joint innovation – the first batch of "Wuji" all-solid-state lithium-metal cylindrical batteries passed verification and were officially delivered to an international top-tier customer, marking progress in commercial application.

The Company has applied new technologies such as high-dynamic laser processing, closed-loop monitoring system for laser processing quality, precision customized laser tempering system, and high-speed laser drying process for electrodes to the electrode sheet manufacturing stage of solid-state batteries. It has developed ultra-fast laser processing equipment and laser grooving equipment. Through cooperation and exchanges with multiple renowned research institutions and customers in the industry, the Company jointly promotes the R&D and market application of solid-state battery equipment, and has gradually achieved the sales and delivery of some products.



YIFI Laser's Solid-State Battery Structure and Process Verification Laboratory and Related Equipment

In November 2025, at the CBIS2025 International Summit on Power Battery Applications, the Company systematically elaborated on its practical path of "intelligent equipment empowering the industrialization process of solid-state batteries." Concurrently, it was honored with the "Influential Company of the Year" and "Innovative Company of the Year" awards, further demonstrating its industry influence in the field of solid-state battery equipment.



The Company received the honors as the Influential Company of the Year and Innovative Company of the Year in the 9th China Battery Industry "Lithium Dream Award"

Our innovative practices not only advance the industrialization of solid-state batteries but also provide key equipment support for the low-carbon transformation of the new energy system by enhancing energy density and safety.

## 2. Expanding into Third-Generation Photovoltaics: Extending Applications of Perovskite Battery Intelligent Equipment

Against the backdrop of continuous photovoltaic technology upgrades, third-generation PV perovskite batteries have become a cutting-edge focus of the industry. Addressing the manufacturing needs of next-generation photovoltaic cells, YIFI Laser actively deploys laser intelligent equipment solutions for perovskite batteries.

In June 2025, the Company presented its innovations at the SNEC PV+ES International Photovoltaic Power Generation and Smart Energy Conference, focusing on two main areas: "Third-generation Perovskite PV Cell Intelligent Equipment" and "Energy Storage Battery System (ESS) Assembly Solutions."



In the perovskite battery manufacturing process, the Company employs ultra-fast laser processing technology to achieve micron-level high-precision machining, covering key processes such as scribing, edge cleaning, drilling, and cutting, achieving full process coverage from P1 to P6. Through the application of beam shaping technology and an energy closed-loop monitoring system, high-efficiency, high-quality, and highly stable processing is achieved, with equipment utilization rates exceeding 98%.

Concurrently, the showcased energy storage battery assembly solutions cover the entire process from individual cell assembly to containerized energy storage system assembly. Through modular flexible manufacturing, core process integration, and collaborative line design, the path from single-line production to system integration is paved, providing manufacturing support for "PV-storage integration" applications.

By promoting the upgrading of high-efficiency photovoltaic cell manufacturing processes, the Company continuously provides equipment support for the large-scale application of clean energy.

## 3. Exploring the Frontiers of Embodied Intelligence: Extending the Application Boundaries of High-End Equipment

While consolidating its layout in new energy battery equipment, YIFI Laser leverages its high-end equipment engineering capabilities to expand into the fields of embodied intelligence and humanoid robots, exploring the integrated application of intelligent equipment in emerging industries.



CCTV News coverage of Jingchu humanoid robots

In April 2025, YIFI Laser, together with Professor Ding Han's team from Huazhong University of Science and Technology, the Wuhan Institute of Industrial Innovation and Development (WHIID), and Wuhan Shouyi Technology Innovation Investment Development Group, jointly initiated the establishment of Hubei Jingchu Humanoid Robot Co., Ltd. In May, the signing ceremony for the "Jingchu" humanoid robot industrialization project was completed, propelling the first demonstration project into the industrialization phase.

In September of the same year, the "Hubei Humanoid Robot Technology Innovation Center", established with the participation of "Jingchu" humanoid robots, was inaugurated. This center focuses on the R&D of key common technologies for embodied intelligence, aiming to create an innovation platform integrating technology R&D, achievement transformation, talent cultivation, and industry incubation.



As high-end equipment evolves towards intelligence, YIFI Laser continuously strengthens its independent R&D and collaborative innovation capabilities, strengthening its competitiveness in future-oriented industries



# 01 Illuminating Foundations, Fortifying Sustainable Roots

YIFI Laser consistently complies with laws and regulations, upholds the principle of prudent operations, and continuously improves its corporate governance structure, internal control system, and risk prevention mechanisms. It integrates standardized management and the fulfillment of responsibilities throughout the entire operational process. The Company prioritizes the timeliness of information disclosure and the smoothness of communication channels, actively responds to investor demands, diligently protects shareholders' rights and interests, and strives to enhance governance transparency and operational standardization. Furthermore, YIFI Laser adheres to the principle of integrity, strictly follows business ethics, and actively cultivates a corporate culture of integrity and self-discipline, solidifying the foundation for high-quality and sustainable development.

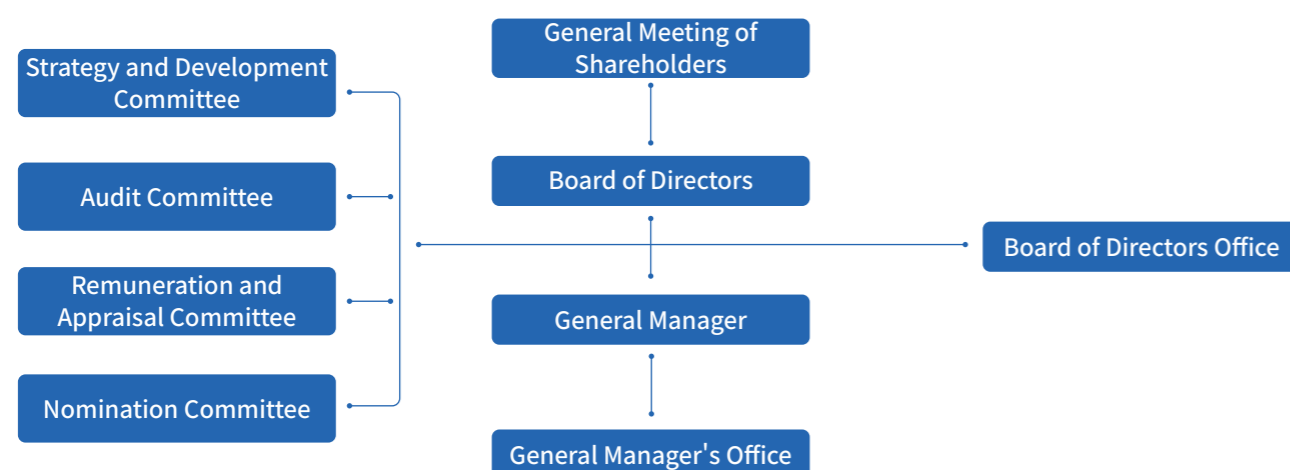
## Improving Governance, Fortifying Foundations

Guided by the principle of sustainable development, YIFI Laser continuously optimizes its corporate governance structure and internal control system, strengthens the effectiveness of Board governance, improves the quality of information disclosure, safeguards shareholders' rights and interests, and promotes the modernization of its corporate governance system and governance capabilities.

### Governance Structure

In strict accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, other relevant laws and regulations, and the Articles of Association, the Company has established a comprehensive governance structure. The Board of Directors has established four specialized committees: the Strategy and Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Each committee has clear responsibilities and operates in a standardized manner, providing robust support for the Board's scientific decision-making.

#### Organizational Structure



### General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company and exercises the decision-making power over major matters of the Company in accordance with the law. Strictly following the *Company Law*, the *Articles of Association*, and regulatory requirements, the General Meeting of Shareholders reviews and approves the Company's annual report, profit distribution plans, increase or decrease of registered capital, significant investments, related-party transactions, and share repurchases, ensuring standardized operation and transparency in corporate governance.

During the reporting period, the Company convened a total of 3 General Meeting of Shareholders, reviewing 12 proposals. All meetings were convened in compliance with laws and regulations, safeguarding the right to information and participation of all shareholders, especially small and medium investors. The meetings adopted a combination of on-site and online voting to ensure equal participation of shareholders in voting.

### Board Governance

The Board members are diverse and complementary in terms of age, professional background, and industry experience, possessing multidisciplinary knowledge in fields such as law, accounting, management, mechanical manufacturing, and new energy batteries. This provides a solid guarantee for the Company's strategic decision-making. As of the end of the reporting period, the Board of Directors consisted of 9 directors, including 3 independent directors, accounting for 33.33% of the total Board members. During the reporting period, the Company held a total of 8 Board meetings, reviewing 36 proposals covering major issues such as company strategy, finance, governance, investment, and personnel. The meeting procedures were legal and compliant, and the decision-making process was transparent and well-structured.

The four specialized committees under the Board of Directors all operated in a standardized manner according to their respective rules of procedure. During the reporting period, they held a total of 5 meetings of the specialized committee, reviewing multiple proposals covering strategic planning, financial auditing, remuneration plans, and nominations and appointments.

### Board Independence

The Company places great emphasis on the independence of the Board of Directors and strictly appoints independent directors in accordance with regulatory requirements. All independent directors possess professional backgrounds in law, accounting, etc., and have no interests in the Company that might affect their independent judgment. The Company continuously improves the working mechanism for independent directors. Based on the previously issued *Detailed Rules for the Special Meeting of Independent Directors*, the focus during the reporting period was on promoting the implementation of these rules. By convening special meetings, the independent directors effectively fulfilled their supervisory duties, significantly enhancing the scientific and independent nature of Board decisions.

During the reporting period, the Company held 1 special meeting of independent directors, where they issued independent opinions on matters such as major operational decisions and related-party transactions, fully leveraging their supervisory role in corporate governance.

### Training for the Board and Senior Management

The Company places great importance on building compliance awareness and enhancing the performance capabilities of its directors and senior management. During the reporting period, the Company actively organized senior management to participate in online and offline training hosted by institutions such as the Shanghai Stock Exchange, Hubei Regulatory Bureau of the China Securities Regulatory Commission (CSRC), and the Listed Companies Association of Hubei. The training focused on systematic learning of corporate governance, information disclosure, and risk control, continuously enhancing governance capabilities.

**Organizing Senior Management Training to Continuously Improve the Standardization of Corporate Governance**

In December 2025, the Company organized a special training session on "Compliance Management of Major Information and Shareholding Behavior for Listed Companies" for senior management and heads of various business departments (including subsidiaries), inviting external professional lecturers to conduct the session. The training adopted a format combining offline lectures with practical demonstrations, aiming to strengthen the compliance awareness and performance capabilities of directors and senior executives. Through this training, all participants further clarified the core points of compliant operations, ensuring the effective implementation of major information management processes and shareholding behavior norms in daily operations, thereby solidifying the governance foundation for the Company's high-quality development.



## Party Building Leadership, Building Consensus

YIFI Laser consistently adheres to the deep integration of Party building with corporate development, using high-quality Party building to guide the high-quality development of the enterprise. In 2025, the Company's Party branch continuously strengthened its political guiding role, embedding Party building work into all aspects of business operations, talent cultivation, and corporate culture construction. Through various forms of organizational activities and practical initiatives, it built consensus among all employees and inspired them to strive forward.

The Company's Party branch adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply studies and implements the spirit of the 20th National Congress of the Communist Party of China and its plenary sessions, and regards the education in Party spirit as the cornerstone for building team consensus. It actively explores the "Party building + business" integration model, encouraging Party members to play a vanguard and exemplary role in core businesses and key projects.

**Leveraging the Vanguard Role of Party Members to Build High-Efficiency Delivery Teams**

On February 15, 2025, the Company's Party branch organized a special training session themed "Forging Leaders – An Organization with Strength." The event invited external experts to conduct a special lecture titled "Forging Leaders: How to Build Capabilities Within the Organization?" and organized practical drills with Party members as the core participants. Representatives of Party members used the "GROW model" to simulate project delivery team building scenarios on-site, transforming their Party spirit into leadership for solving practical business challenges. This activity covered all Party members, Party membership applicants, and key representatives from various departments, effectively promoting the mutual reinforcement of Party building momentum and business performance.



To enhance the cohesion and combat effectiveness of the Party organization, the Company's Party branch meticulously planned and organized multiple thematic education activities in Party spirit in 2025.

**Special Screening for Women's Day: "Forging Spirit with Light and Shadow • The Power of Women"**

To celebrate International Women's Day on March 8, the Company planned a themed screening event in March 2025 titled "Forging Spirit with Light and Shadow • The Grace of Women." The activity focused on learning the noble spirit of "perseverance and selfless dedication" from Principal Zhang Guimei, combining Party spirit education with care for women. It inspired female employees to shine in their positions, fostering a positive and energetic corporate culture.



## Strengthening Internal Control, Strictly Adhering to Compliance

YIFI Laser consistently adheres to compliant operations, continuously improves its internal control system, strengthens risk management capabilities, and strictly upholds the bottom line of business ethics. In 2025, the Company further enhanced governance effectiveness and ensured stable operations and sustainable development by revising internal audit systems, optimizing anti-fraud mechanisms, and deepening the cultivation of a culture of integrity.

### Risk Management

The Company achieves the identification, assessment, and tracking of significant risks through its internal audit mechanism. The Audit Department focuses on high-risk areas in its annual audit plan, including external investments, external guarantees, related-party transactions, and the use of raised funds. It promptly identifies internal control deficiencies and potential risks during the audit process. For any identified material deficiencies or significant risks, the Audit Department must immediately report to the Audit Committee and urge relevant responsible departments to formulate corrective measures, conducting follow-up reviews to ensure risks are controllable.

### Internal Control and Compliance

The Company has established an independent Audit Department as its internal audit body, which operates under the leadership of the Board of Directors, is accountable to the Audit Committee, and receives supervision and guidance from the Audit Committee. The Audit Department is independent of the Finance Department and other business departments, ensuring the objectivity and authority of its audit work.

#### The Audit Department performs the following core duties:

- ▶ Conduct audits on the effectiveness of financial revenues and expenditures, economic activities, and internal controls.
- ▶ Inspect and evaluate the completeness, rationality, and implementation effectiveness of the internal control system.
- ▶ Assist in establishing and improving anti-fraud mechanisms, identify key areas, critical links, and main content for anti-fraud efforts, and focus on and inspect potential fraudulent behaviors during audits.
- ▶ Conduct special audit investigations covering business processes such as sales and collections, purchases and payments, inventory management, fixed asset management, fund management, investment and financing management, significant transactions and matters, human resource management, information system management, and information disclosure affairs management.
- ▶ Regularly or irregularly inspect fund transactions between the Company and related parties, issuing special reports at least quarterly to prevent related parties from occupying or transferring Company resources.
- ▶ Report the execution of the audit plan and identified issues to the Audit Committee quarterly.

The Company conducts an annual internal control self-assessment, prepares the *Internal Control Self-Assessment Report*, and discloses it along with the annual report after review by the Board of Directors. Based on the assessment report and related materials provided by the Audit Department, the Audit Committee issues an annual internal control self-assessment report on the establishment and implementation of internal control systems related to financial reporting and information disclosure affairs. During the reporting period, the Company's internal control system operated effectively, and no material weaknesses in internal control over financial reporting were identified.

## Business Ethics

### Anti-Commercial Bribery and Anti-Corruption

The Internal Audit System incorporates anti-corruption and anti-fraud as key focuses of audit work. The Audit Department assists in establishing and improving anti-corruption and anti-fraud mechanisms, identifies key areas, critical links, and main content for anti-fraud efforts, and focuses on and inspects potential fraudulent risk behaviors during internal audits. The Audit Department exercises its audit authority independently, free from interference by other departments or individuals, ensuring effective supervision of corrupt practices.

In terms of governance structure, the Audit Department is accountable to the Board of Directors and the Audit Committee, receives supervision and guidance from the Audit Committee, and reports its work to the Audit Committee. All internal departments, controlled subsidiaries, and associated companies with significant influence on the Company are obliged to cooperate with audit work.

The Company has established reporting channels and set up whistleblower protection mechanisms to safeguard the legitimate rights and interests of whistleblowers and auditors, providing a solid guarantee for the smooth progress of anti-fraud work. The system specifies serious disciplinary measures for responsible personnel who violate financial regulations or engage in fraudulent behavior. This reflects the Company's firm stance of "zero tolerance" towards commercial bribery and corruption.

For every employee upon joining the company, we require them to read the Employee Handbook to understand the employee code of conduct and areas requiring special attention regarding business ethics. We also organize integrity training for employees to reinforce their awareness of honesty and self-discipline. To ensure the compliance and integrity of business activities, we require partners to adhere to business ethics standards and include integrity-related clauses in contracts. Any violations will be dealt with seriously. During the reporting period, there were no lawsuits filed against the Company related to commercial bribery or corruption.

### Anti-Unfair Competition

We are committed to fostering a fair and just market order and promoting positive interactions with our partners. To this end, the Company strictly requires all employees to abide by the principles of fair competition and always conduct business operations with integrity as the foundation.

## Transparent Communication, Safeguarding Rights and Interests

YIFI Laser consistently adheres to the "investor-centric" philosophy, striving to build an open, transparent, efficient, and smooth investor relations management system. By improving information disclosure mechanisms, enriching investor communication channels, and implementing measures to safeguard rights and interests, it continuously enhances investor trust and promotes the Company's high-quality development.

### Investor Relations Management

The Company strictly complies with laws and regulations, including the *Company Law of the People's Republic of China* and the *Self-Regulatory Guidelines for Listed Companies on the SSE STAR Market No. 1 - Standardized Operations*. It has formulated foundational systems such as the Articles of Association and the Information Disclosure Management System, and continuously promotes the implementation of the Investor Relations Management System to further improve the investor relations management framework, ensuring that all work is guided by rules and operates in a standardized manner. The Company adheres to the principles of equality, integrity, and compliance to safeguard the right to information and participation of all shareholders, especially small and medium investors.

### Information Disclosure Mechanism

Following the principles of "truthfulness, accuracy, completeness, timeliness, and fairness" in information disclosure, the Company diligently fulfills its information disclosure obligations and continuously improves the quality and transparency of its disclosures. In addition to routine statutory disclosures, the Company proactively adds voluntary information disclosure content, using concise, clear, and easy-to-understand language, combined with diverse presentation methods such as images and tables, to enhance the readability of periodic reports and interim announcements, ensuring all shareholders and creditors have equal and convenient access to Company information.

### Protection of Investor Rights and Interests

The Company prioritizes shareholder interests and adopts multiple measures to protect investor rights and interests:

**Equal Participation in Governance:** The General Meeting of Shareholders provides on-site and online voting methods, ensuring that small and medium investors can exercise their voting rights equally; all 3 general meetings of shareholders held during the reporting period allowed institutional investors and natural person investors to participate in voting.

**Sustained Cash Dividends:** Strictly adhering to the profit distribution policy, the Company formulates annual dividend plans, balancing operational development and shareholder returns to ensure a virtuous cycle of capital investment and long-term value creation.

**Active share repurchase with partial cancellation:** The Company successively launched two share repurchase plans. Under the second share repurchase plan, it repurchased a total of 2.2908 million shares for a total consideration of RMB 77.7056 million (excluding transaction fees such as brokerage commissions), of which 1 million shares were cancelled. This increased earnings per share, preserved corporate value, and effectively enhanced returns to shareholders.

**Executive share purchases:** The Company's senior executives actively purchased the Company's shares to stabilize market confidence through concrete actions. Mr. Wu Xuan, Chairman of the Board, purchased 302,013 shares of the Company, representing 0.32% of the Company's total share capital, for a total consideration of RMB 9,026,700 (including transaction fees such as brokerage commissions). Mr. Zhao Laigen, Director and Deputy General Manager, purchased 242,420 shares of the Company, representing 0.25% of the Company's total share capital, for a total consideration of RMB 7,550,432.91 (including transaction fees such as brokerage commissions).

**Regular Communication and Feedback:** The Company responds promptly to investor concerns through channels such as the investor hotline, email, and interactive platforms, achieving a 100% resolution rate for complaints and suggestions. Through various forms such as SSE E-Interaction, investor research visits, performance briefings, and broker strategy conferences, the Company achieves deep connections with the capital market, fully listens to investor suggestions, and continuously optimizes its governance practices.

The Company places great importance on two-way communication with investors and has built a diversified investor communication platform.



Investor Relations Email: [ir@yifilaser.com](mailto:ir@yifilaser.com)



Investor Relations Hotline: 027-87592246

#### Key Performance

During the reporting period, the Company actively interacted with investors through the following methods:

- Regularly convened performance briefings, holding a total of 4 sessions.
- Hosted over 50 investor research visits and broker strategy conferences, extensively listening to investor opinions and suggestions.
- Established an investor hotline with dedicated personnel, handling over 1,000 calls throughout the year, achieving a 99% satisfaction rate for problem resolution.
- Responded to 210 investor inquiries on the SSE E-Interaction platform, maintaining a high level of proactive response rate.

## Digital-Intelligent Integration, Enhancing Efficiency

Guided by the policy of "strategy-led, technology-driven, intelligent manufacturing, and continuous improvement", YIFI Laser regards information resources as a strategic foundational asset. It fully leverages the important role of data development and utilization in optimizing resource allocation and operational management, promoting interactive innovation and continuous optimization of data, technology, business processes, and organizational structure.

# Integration of Informatization and Industrialization Management

In 2025, in accordance with the GB/T23001-2017 *Requirements for the Management System for the Integration of Informatization and Industrialization* and the GB/T23006-2022 *Classification Requirements for New Capabilities of the Management System for the Integration of Informatization and Industrialization*, the Company upgraded and released the *Management Manual for the Integration of Informatization and Industrialization*, systematically advancing the digital-intelligent transformation to comprehensively enhance operational efficiency and competitiveness.

The Company's Integration of Informatization and Industrialization management system is personally promoted by the General Manager, ensuring its deep integration with the Company's strategy. The Management Representative is specifically responsible for the establishment, implementation, maintenance, and improvement of the system, coordinating the planning of new capabilities, process control, and continuous optimization. Each functional department has clear responsibilities and operates with high efficiency and synergy, forming a digital-intelligent governance structure covering the entire organization.

## Digital-Intelligent Progress

YIFI Laser empowers the transformation and upgrading of traditional industries with AI, informatization, and digital technologies. It continuously increases investment in digital operations management, establishes and improves the Integration of Informatization and Industrialization management system, and promotes the in-depth application of digital technologies in R&D innovation, laying a solid foundation for comprehensive enterprise digital management. Adhering to the Integration of Informatization and Industrialization policy of "strategy-led, technology-driven, intelligent manufacturing, and continuous improvement", the Company accelerates the integration of information technology and manufacturing technology to provide customers with intelligent products and intelligent manufacturing solutions. Simultaneously, it utilizes digital and intelligent equipment and MES systems to enhance intelligent manufacturing management levels and production operation efficiency, accelerating the realization of intelligent manufacturing.

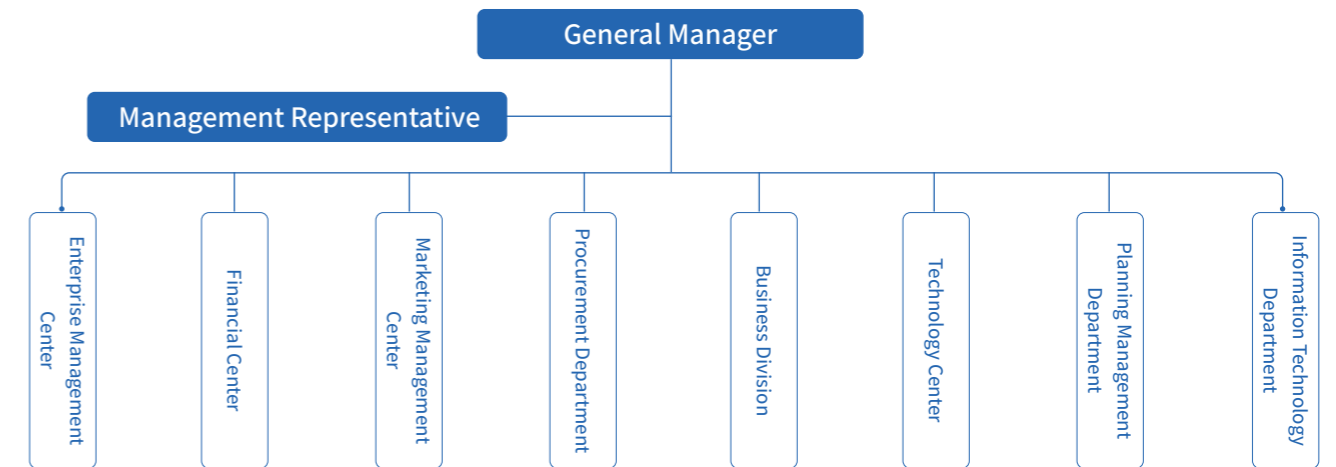
### Management System

The Company has established and improved its management system for the integration of informatization and industrialization. In accordance with institutional requirements such as the *Requirements for the Management System for the Integration of Informatization and Industrialization* and the *Classification Requirements for New Capabilities of the Management System for the Integration of Informatization and Industrialization*, it formulated the *Management Manual for the Integration of Informatization and Industrialization*, set up the management organizational structure for this integration, and clarified the key functional responsibilities, obtaining the AAA Certification for the Integration of Informatization and Industrialization Management System.



AAA Certification for the Integration of Informatization and Industrialization Management System

### Organizational Structure of the Integration of Informatization and Industrialization Management



### Practical Measures

- Implemented a comprehensive digital management upgrade project, constructing a group-level project operation and management platform covering all aspects of production and operation, including finance, warehouse, quality, procurement, technology, sales, planning, and production, to enhance the integration of business and finance, refine project cost management, increase project schedule transparency, and strengthen group-level operation and control capabilities.

- Promoted the interconnection and data interoperability, including automatic transmission, collection, aggregation, and analysis, across systems such as PDM, OA, T100, and MES, enabling automated capture of process parameters related to personnel, machinery, materials, and methods in production operations.

- Established a fully digitized control system spanning R&D, production, quality, operations, and finance across all business processes, strengthening control at critical nodes and significantly enhancing the Company's digital production and operation management level.

The Company's project "YIFI Laser Promotes Digital Transformation of SMEs through Collaborative Innovation and Chain Development" was selected for the 2025 Wuhan "Chain Empowerment Jiangcheng" List of Typical SME Digital Transformation Case Studies



## 02 Illuminating a New Chapter, Driving Industrial Progress

Centered on building core technical capabilities and enhancing product value, YIFI Laser systematically advances key tasks including innovative R&D, quality control, customer service, data security, and supply chain collaboration. The Company supports product upgrades through technological breakthroughs, ensures stable quality through lean management, strengthens information security through standardized governance, and enhances the overall efficiency of the industrial chain through collaborative mechanisms, continuously solidifying the foundation for sustainable development.

# Innovation Leadership, Driving Development

Adhering to its strategic positioning of "dedicated to laser innovation, pioneering intelligent equipment upgrades", YIFI Laser focuses on its core business of precision laser processing and intelligent equipment manufacturing. It has built an innovation system synergistically advancing technology R&D, engineering verification, and analysis and testing, continuously strengthening core technical capabilities and enhancing the system integration level and engineering implementation capabilities of intelligent manufacturing equipment.

The Company's technology directions cover laser processes, engineering R&D, intelligent software, special laser equipment, precision mechanical components, precision optical components, and digital simulation, forming a technology layout structure synergistically supported by multiple R&D centers.



## Governance

### R&D Organization and Platform Capability Building

The Company relies on the Engineering Technology Research Institute to build the foundational capabilities of its innovation platform. The Institute covers an area of approximately 10,000 m<sup>2</sup>, houses 23 laboratories, has over 400 R&D technical personnel, offers 119 analysis and testing items, and has invested in a total of 252 equipment and instruments (including 86 for manufacturing and 166 for analysis and testing). It covers multiple professional directions such as optics, machinery, electronics, and software, providing systematic support for process verification, structural testing, material analysis, and performance evaluation. By pre-positioning testing and verification capabilities, the Company strengthens the controllability of R&D activities and the reliability of outcomes, providing assurance for the engineering transformation of innovation results.



Photo of the Research Institute

### R&D Project Assurance and Innovation Mechanism

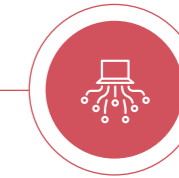
To enhance the organizational efficiency and output of R&D activities, the Company's materials propose ensuring R&D projects from three aspects: incentive mechanisms, innovation environment, and project management.



A performance evaluation system has been established, linking R&D achievements to performance bonuses and annual rewards, and setting up internal awards such as "Innovation Star" and "Best R&D Team." Additionally, extra incentives are provided for innovative ideas, technical solution improvements, authorized patents, and scientific papers.



A cultural atmosphere that encourages innovation and tolerates failure is fostered, promoting cross-departmental communication and collaboration. R&D personnel are encouraged to participate in academic conferences, exhibitions, and industry seminars to track technological trends and gain inspiration.



By formulating R&D project plans, providing resource support such as funding, equipment, and personnel, and establishing risk early warning mechanisms, projects are ensured to proceed orderly according to goals and milestones, reducing the risk of failure.

### Intellectual Property Management

The Company has defined its intellectual property policy as "Technological Innovation, Scientific Management; Based on the Market, Leading the Future." It emphasizes enhancing core competitiveness through technological innovation and ensuring the effective protection and reasonable utilization of innovation results through scientific management. Centered on this policy, the Company has set phased goals: from 2025 to 2028, continuously improve the quantity and quality of patents and software copyrights, maintain steady growth in invention patents, utility model patents, design patents, and software copyrights, ensure high-quality patents account for over 80%, and achieve an employee intellectual property training coverage rate exceeding 95%.



Intellectual Property Compliance Management System Certificate

## Organizational Assurance

The Company has established an intellectual property management framework coordinated by the top management, clarifying the top management as the primary responsible person for intellectual property management, responsible for approving policies and objectives, allocating resources, and organizing management reviews. Through a cross-departmental collaboration mechanism, the Company integrates functions such as the R&D Center, Supply Chain Center, Quality Management, Marketing, and Legal Affairs into the intellectual property management responsibility system, forming a collaborative management structure covering R&D, procurement, production, sales, and cooperation processes, ensuring that intellectual property management requirements are embedded in business processes.

## Full-Process Management

In accordance with standard requirements, the Company implements standardized management over the acquisition, implementation, maintenance, and risk control of intellectual property. Patent searches and risk analyses are conducted during the R&D and design phases to clarify ownership of results and standardize application processes. Potential intellectual property risks are identified during technology cooperation, contract signing, and market promotion. Approval and recording mechanisms are established for the implementation, licensing, and transfer of intellectual property. Intellectual property investigations and value assessments are carried out in mergers and acquisitions, investments and financing, and major operational decisions. Meanwhile, the Company has established an intellectual property risk identification and response mechanism to strengthen infringement risk prevention and dispute management, safeguarding the Company's legitimate rights and interests.

## Training and Promotion

To ensure the effective operation of the system, the Company continuously invests in resource allocation, training, and awareness enhancement. Through system promotion and training activities, the Company enhances employees' awareness of intellectual property compliance, clarifies the consequences of violating intellectual property management requirements, and promotes the implementation of intellectual property management requirements at all employee levels.

## Supervision and Continuous Improvement

The Company has established internal audit and management review mechanisms to regularly inspect and evaluate the operation of the intellectual property management system, identify areas for improvement, and formulate corrective measures, continuously enhancing the system's suitability, adequacy, and effectiveness.



## Strategy

### Analysis of Impacts, Risks, and Opportunities and Response Measures

#### Risks

Risk Name	Risk Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Response Measures
Technology Update and Product Adaptation Risk	The Company's products primarily serve the new energy battery manufacturing sector. If the industry's technology direction or customers' production processes adjust rapidly, and the Company's product upgrade pace fails to match promptly, it may affect market competitiveness and order acquisition.	Medium-term	Continuously track industry technology changes; strengthen forward-looking technology development around main products; strengthen technical communication with core customers.
R&D Input-Output Mismatch Risk	The Company maintains a high level of R&D investment. If the transformation cycle of R&D results is prolonged or the market promotion progress of new products falls short of expectations, it may affect profitability levels and capital turnover efficiency.	Medium-term / Long-term	Optimize R&D project evaluation and phase management mechanisms; enhance product standardization and modularization; strengthen collaboration between R&D and marketing.
New Business Integration and Resource Allocation Risk	The Company is expanding its business into areas such as intelligent logistics. If the synergy between the new business and the original automated equipment business is insufficient, it may lead to dispersion of R&D resources and increased management complexity.	Short-term / Medium-term	Clarify business development priorities and resource allocation; unify R&D processes and technology platforms; strengthen cross-business collaboration mechanisms.

#### Opportunities

Opportunity Name	Opportunity Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Response Measures
Technological Innovation Space Brought by the Upgrading of the New Energy Industry	The continuous advancement of new energy battery manufacturing technology imposes higher technical requirements on automatic assembly lines and precision laser equipment, creating development space for the Company to continuously carry out technological innovation.	Medium-term / Long-term	Strengthen investment in key technology R&D; continuously optimize and upgrade core products; promote the industrialization of technological achievements.
Competitive Advantage from Enhanced Integrated Solution Capabilities	The Company's simultaneous layout of automated production lines and intelligent logistics equipment helps enhance its overall solution capabilities and strengthen market competitiveness.	Medium-term	Promote the standardization of product and system interfaces; strengthen the development of overall solution design capabilities.
Accumulation of R&D Capabilities Enhances Long-Term Competitiveness	Sustained R&D investment and intellectual property accumulation help consolidate the Company's technical foundation and brand reputation in the new energy equipment field.	Long-term	Improve the intellectual property management mechanism; promote the transformation of R&D results into products and projects.

Providing one-stop large-scale energy storage system solutions for overseas customers

The Company delivered a fully automatic energy storage container assembly line to an overseas customer. This line is compatible with the assembly of prismatic battery systems with capacities ranging from 50 to 314 Ah, achieving an annual production capacity of over 5 GWh. It covers the entire process from cell handling to PACK assembly, and further to container assembly and testing, providing the customer with a one-stop large-scale energy storage system solutions.



## Management of Impacts, Risks, and Opportunities

YIFI Laser incorporates the impacts, risks, and opportunities related to technological innovation into its overall risk management framework. It continuously carries out identification and assessment work in conjunction with its strategic planning and actual business development. Focusing on key links such as technology R&D, commercialization of R&D outcomes, and market application, the Company analyzes the impact of potential risks and development opportunities on its business activities. It strengthens process management through internal review and dynamic tracking mechanisms, promoting the steady progress of innovation activities while maintaining effective risk control.

## Metrics and Targets

### Key Performance

During the reporting period:

Cumulative IP applications: **1,095**

Valid IP rights held: **742**

Invention patents held: **158**

Utility model patents held: **368**

Design patents held: **18**

Software copyright registrations held: **159**

New IP rights granted: **106**

New IP applications filed: **51**

R&D investment: RMB **111.36** million

R&D investment as % of revenue: **13.87%**

Number of R&D personnel: **453** person(s)

R&D personnel as % of total employees: **39.29%**

## Striving for Excellence, Strictly Controlling Quality

Adhering to the quality policy of "Stable Quality, Attentive Service", we continuously improve the construction of our quality management system and process control mechanisms, focusing on customer needs and full product lifecycle management. Using systematization, standardization, and digitalization as key drivers, the Company promotes quality control throughout the entire process of design, manufacturing, delivery, and service, continuously consolidating product reliability and delivery capabilities, and fostering high-quality and sustainable development.

### Governance

YIFI Laser places great emphasis on quality management and has formulated a quality policy that emphasizes "Stable Quality, Attentive Service; People-Oriented, Full Participation; Safety and Health, Environmental Protection; Innovation-Driven, Customer Satisfaction." It links key quality management indicators with the performance evaluations of senior management and quality management KPIs.

The Company has obtained ISO 9001 Quality Management System certification and Intellectual Property Management System certification, supported by the Integration of Informatization and Industrialization management system. It achieves 100% certification coverage in non-standard industries for quality-related certifications. It maintains the system's effective operation through internal audits, management reviews, and external audits. Concurrently, it has constructed a secondary process network diagram and formulated a total of 40 procedure documents, including the *Control Procedure for Addressing Risks and Opportunities*, the *Control Procedure for Product Design, Manufacturing, and Delivery*, the *Control Procedure for Nonconforming Outputs*, and the *Control Procedure for Continuous Improvement Measures*. These cover key links such as quality risk prevention and control, non-conforming product management, compliance management, and customer satisfaction control, achieving closed-loop control throughout the entire product quality management process and enhancing the visualization and process correlation of system implementation. Relying on the ISO 9001 Quality Management System and the CNAS-accredited laboratory, the Company has established a 24-hour rapid, tiered response mechanism using AI and 8D methodologies. It adheres to the principles of zero defects, zero customer complaints, and zero accidents, applying Six Sigma to achieve standardization in customization, as well as the reliability, safety, and sustainable development of non-standard products.



YIFI Laser Quality Management System Certification



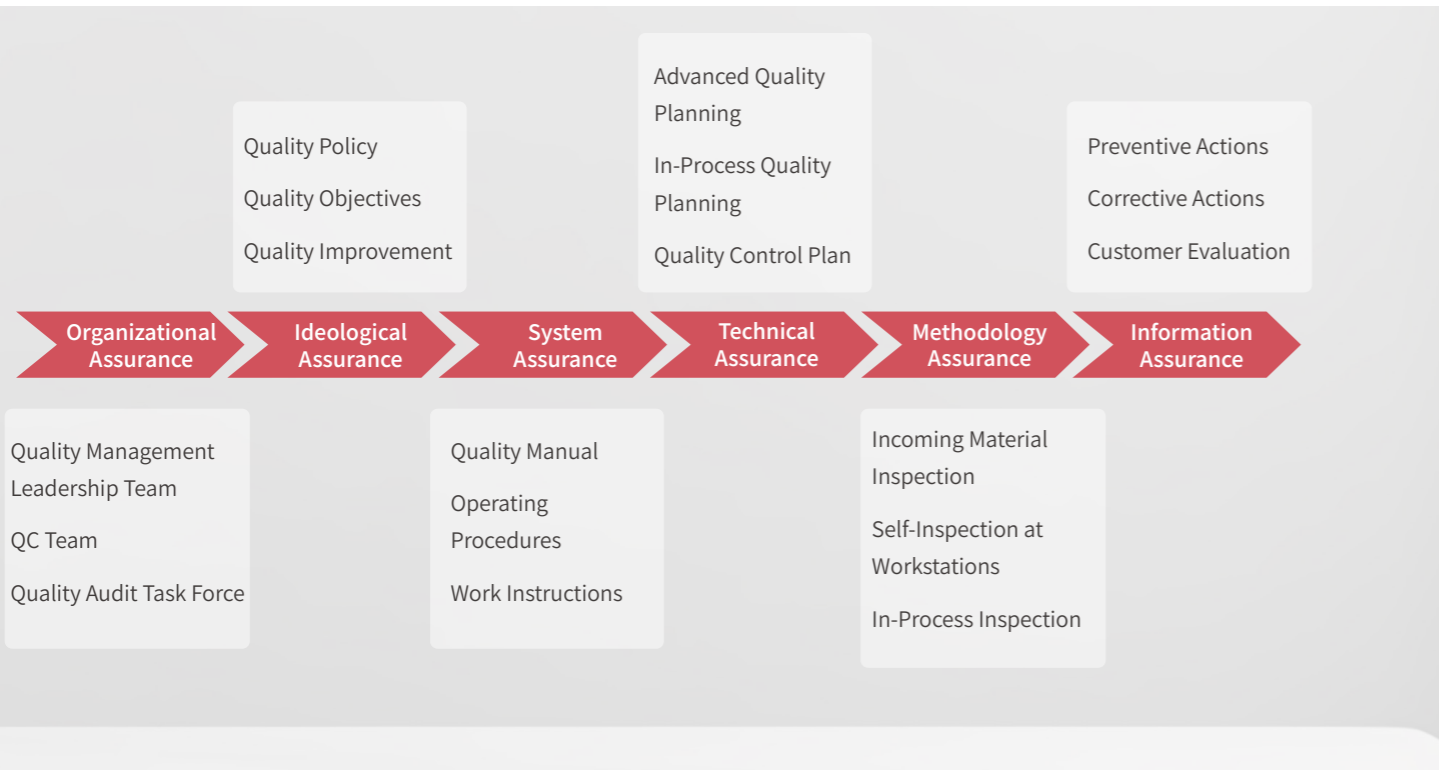
New Cohesion Quality Management System Certification

## Full Lifecycle Quality Management

The Company has established an internal reporting mechanism for product and service safety and quality throughout the entire inspection process. Based on the *Control Procedure for Release of Products and Services*, it clarifies the reporting points and responsible entities for each inspection stage (incoming materials, in-process, finished products), with the Quality Management Department as the core lead department. Inspection abnormalities are immediately recorded in the *Incoming Material Quality Anomaly Record Form* and the *LOP Process Record Form* and simultaneously fed back to relevant departments. Acceptance and release results are signed off and approved step-by-step according to the process. Concurrently, relying on ERP and ChuanYun systems, quality information is processed online, ultimately ensuring that quality information throughout the entire process is traceable, feedback-capable, and subject to closed-loop control.

The Company has established a full-process product quality management system covering incoming inspection, in-process inspection, finished product inspection, and delivery review. Using the *Control Procedure for Release of Products and Services* as the guideline, it clarifies the standards, rights, and responsibilities for each stage. From incoming material verification and in-process patrol inspection/self-inspection to finished product FAT (Factory Acceptance Test) pre-acceptance, the entire process is controlled. Quality anomalies are immediately recorded and rectified in a closed loop. Qualified products are released after multi-level approval. Relying on digital systems, quality information is traceable, forming a standardized closed-loop quality management process.

### Quality Assurance Mechanism



Centered on the entire product realization process, the Company has set up quality control activities and key methods/tools covering "Design - Supply Chain - Processing - Assembly - Debugging - Delivery - After-Sales Service":

- Design Phase**

Conduct solution feasibility assessments, DOE (Design of Experiments) validation, DFMEA (Design Failure Mode and Effects Analysis), prepare SOP (Standard Operating Procedure) documents, output key technical indicators, and perform cost-benefit analysis.
- Supply Chain Phase**

Maintain the qualified supplier list, conduct supplier research and visits, perform supplier evaluations and audits, and promote continuous improvement and supplier coaching. The Company has formulated the *Control Procedure for Externally Provided Processes, Products, and Services*, clarifying the scope and division of responsibilities for external provider quality control. It also sets control requirements for key stages such as procurement planning, information transmission, acceptance and release, and non-conforming disposal. Concurrently, it requires evaluation, selection, and process supervision of external providers to ensure externally provided processes, products, and services meet the Company's requirements.
- Processing Phase**

Promote standardization of inspection specifications and SIP, conduct MSA and SPC analysis, perform PFMEA, assess processing drawing conformity, optimize processing techniques, and implement 8D and corrective actions for continuous improvement.
- Assembly Phase**

Implement patrol inspection standards and frequency, monitor SOP compliance, monitor assembly accuracy, collect and organize inspection data, conduct MSA and SPC analysis, and implement 8D and corrective actions for continuous improvement.
- Debugging Phase**

Monitor cycle time and function conformity, monitor debugging process records, collect and organize debugging data, conduct MSA and SPC analysis, and implement 8D and corrective actions for continuous improvement.
- Delivery Phase**

Form management actions including equipment FAT test reports, delivery of accompanying documentation, supervision of the delivery process, closure of outstanding issues, customer personnel training, and project review.
- After-Sales Phase**

Collect customer complaint feedback, conduct customer satisfaction surveys, trace quality issues, and analyze equipment failures to promote problem closure and continuous improvement.

## Project Management

Relying on a digital full-process management platform, combined with systems such as ERP, PDM, MES, and PLM, the Company promotes digital management throughout the entire process from product R&D to delivery and acceptance, enhancing the efficiency of responding to customer needs and the ability to achieve project goals. Concurrently, the Company builds an execution network centered around projects, promoting collaboration among R&D, manufacturing, delivery, and after-sales stages. Through an integrated production and delivery ecosystem, a comprehensive manufacturing system, and support from domestic and international after-sales teams, it strengthens full-process delivery and professional service capabilities.

### Digital Management and Control over the Full Project Lifecycle

#### Digital Full-Process Management Platform

Leveraging four intelligent systems: ERP, PDM, MES, and PLM, we achieve digital management throughout the entire process from product R&D to delivery and acceptance. This enables us to swiftly meet customer needs, efficiently achieve project goals, and ensure high-quality completion of delivery and acceptance.

#### One Central Hub, Building an Efficient Execution Network

Aligned with the internationally recognized PMP project management certification, we adopt a project-centric approach to drive the efficient execution of the full project lifecycle, encompassing product R&D, manufacturing, delivery, and after-sales service. By consolidating efforts, we build a highly cohesive and professional team dedicated to providing comprehensive project management services to our clients throughout the project journey.

#### Integrated Production and Delivery Ecosystem, Forging a Comprehensive Manufacturing System

We integrate manufacturing with engineering delivery, creating an innovative and comprehensive manufacturing system that spans both manufacturing and delivery processes. This integration facilitates seamless communication between manufacturing and delivery, enhancing both manufacturing and delivery capabilities and ultimately shortening project lead times.

#### Global After-Sales Teams and Professional Service

We have established dedicated after-sales teams both domestically and internationally to support global business operations. Based on decades of after-sales data storage and analysis, we have constructed a robust after-sales system that includes mail-in repair, replacement, and rapid response services. This system ensures that we can provide professional after-sales services to our customers worldwide.

## Quality Enhancement and Improvement

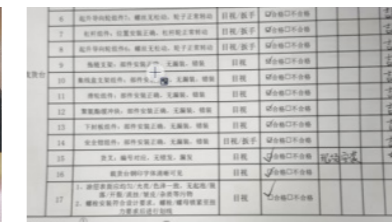
The Quality Management Department takes the lead in organizing cross-departmental QCC (Quality Control Circle) teams involving quality, production, and engineering personnel, mobilizing the enthusiasm of all employees to drive quality improvement. During the reporting period, through quality improvement and supplier management process optimization, the Company promoted the identification, correction, and continuous improvement of non-conforming items. Through initiatives such as building inspection capabilities and enhancing supplier capabilities, it drove the continuous improvement of key quality indicators.

## Implementing a Special Action for Product Quality Improvement

From September to December 2025, the New Cohesion Engineering Center organized a "Product Quality Improvement" activity, establishing a special task force led by the Project Director and involving various functional departments. Addressing the issues of wrong and missing bulk materials for stackers in the AK056 Zenergy Yinhe Base automated logistics project, the Company conducted a root cause analysis covering personnel, material management, and process control. It optimized the delivery management process by improving material labeling, establishing delivery BOM lists, strengthening quality control review mechanisms, and implementing a "one main component with its corresponding bulk parts" delivery strategy. After implementation, the BB065 Yunnan Kuntian project received no feedback on wrong or missing parts since its shipment. The relevant measures were formalized into systems such as the *Material Delivery Operating Procedures* and the *Finished Material Inspection Procedures* and were promoted and implemented throughout the Company.



All finished materials have added material labels.



Quality control personnel inspect assembly materials and issue a report upon qualification.



One main component is delivered with its corresponding bulk parts, realizing standardization of delivery materials.

## Capability Enhancement and Cultural Development

Centered on the operation of the quality management system and the need to enhance job capabilities, the Company continuously conducts internal and external quality-related training. Through various training methods, the Company strengthens employees' understanding and application of the quality policy, procedure documents, and quality tools, enhancing frontline operational standardization and professional quality management capabilities, continuously consolidating the foundation of quality management.

The Company adopts a comprehensive training system combining centralized online training on the Zhuoyi Academy platform with offline PPT materials and OPL (One Point Lesson) single-point education.

### Key Performance

During the reporting period, over **80** internal training sessions were conducted, covering more than **1,600** participants; participated in **8** external training exchanges.

The Company formulates the quality policy and the *Ten Codes of Conduct for Employees*, clearly defining the overall commitment and direction for quality management. Through the construction of quality culture display boards featuring topics such as team quality morning meetings, introductions to quality tools, and showcasing employee excellence, it continuously enhances employees' quality awareness.

### Implementing Closed-Loop Quality Monitoring Management

In 2025, the Company implemented a monitoring practice encompassing "preventive control + process control + ex-factory quality assurance": conducting DFMEA analysis during the design phase, implementing supplier evaluation and coaching in the supply chain, monitoring process stability through SPC/CMK during the assembly phase, conducting FAT (Factory Acceptance Test) pre-acceptance and quality red/black flag management during the delivery phase, and carrying out customer complaint traceability and equipment failure analysis during the after-sales phase.

## Strategy

### Analysis of Impacts, Risks, and Opportunities and Response Measures

#### Risks

Risk Name	Risk Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Response Measures
Overall Delivery Quality Risk for Automated Production Lines and Equipment	The Company's automated production lines and intelligent special machines are mostly delivered through the integration of mechanical, electrical, and control systems. Insufficient coordination during production and debugging may result in equipment performance failing to meet customer agreement requirements or delays in acceptance.	Short-term	Strengthen complete machine ex-factory testing and phased on-site commissioning standards; establish delivery verification checklists and acceptance support systems.
Quality Consistency Risk for Critical Components	Automated production lines and precision laser equipment are highly dependent on high-precision components. Insufficient batch consistency of critical components may affect the overall stability and quality of the equipment.	Short-term / Medium-term	Strengthen supplier evaluation and incoming material inspection systems; establish batch traceability and alternative verification processes for critical components.
On-Site Equipment Operation Stability Risk	Customers have high requirements for long-term stable operation and sustained capacity output of equipment. Insufficient initial stability and maintenance support may increase the risk of downtime due to faults and after-sales costs.	Short-term / Medium-term	Advance equipment reliability design validation and maintenance plans; improve on-site customer support and standardized operation/maintenance procedures.

#### Opportunities

Opportunity Name	Opportunity Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Response Measures
Demand for Upgrading to High-Quality Automation Equipment in New Energy Battery Manufacturing	The new energy battery industry's continuously increasing requirements for the precision and stability of automation equipment create opportunities for high-quality equipment suppliers to secure premium projects and cooperation.	Medium-term / Long-term	Establish product standards and verification systems based on quality indicators; conduct joint testing and quality improvement cooperation with key customers.
Integrated Solutions Bring Overall Quality Competitive Advantage	The Company's ability to provide integrated solutions for automated production lines and precision laser processing equipment is expected to enhance the consistency of overall delivery quality and customer satisfaction.	Medium-term	Promote delivery standardization across equipment and processes; establish system-level quality control methods.
Enhanced Quality Capabilities Boost After-Sales and Service Value	Improved equipment quality and on-site stability help build a positive reputation, expanding opportunities for repeat purchases, retrofits, and spare parts services.	Medium-term / Long-term	Establish quality data collection and problem feedback mechanisms; close the loop on after-sales issues back to product design and manufacturing.

## Management of Impacts, Risks, and Opportunities

In accordance with the *Control Procedure for Addressing Risks and Opportunities*, YIFI Laser has established a management mechanism for identifying, analyzing, evaluating, and responding to risks and opportunities, incorporating the entire product realization process into its risk management scope. All departments of the Company, considering internal and external environmental factors, systematically identify potential risks and opportunities in production and management activities. They conduct analysis and assessment using methods such as SWOT analysis, PESTLE analysis, and FMEA analysis, taking into account factors like frequency of occurrence, risk level, and degree of impact to determine whether countermeasures are necessary.

Based on the assessment results, the Company implements control through methods such as risk avoidance, risk reduction, and risk acceptance. For risks requiring focused management, it fills out the *Key Risk Management Plan Form*, specifying measures, responsible departments, and completion deadlines. The effectiveness of these measures is evaluated before management reviews, forming a continuous improvement mechanism.

## Metrics and Targets

### Key Performance

During the reporting period:

The Company's quality-related certification coverage rate for the non-standard industry: **100%**

The certification rate among employees in the Company's Quality Management Department for certifications such as Six Sigma Green Belt and Engineer exceeds **40%**, and the proportion of employees with practical operational skills rated at Level B or above reaches **80%**.

## Reliable Service, Optimizing Experience

YIFI Laser always takes customer needs as its orientation, and attaches great importance to continuous communication with customers and the improvement of service experience. Centered on the entire process of pre-sales, in-sales, and after-sales, the Company has established standardized service procedures and response mechanisms, striving to provide customers with stable, reliable, and timely support and assurance.

### Management System and Division of Responsibilities

YIFI Laser has formed a customer service management mechanism driven by systems and processes, covering customer demand identification, process communication, after-sales service, complaint handling, and satisfaction measurement: All departments collaborate and coordinate to jointly ensure the stable operation of contract delivery and customer service.



Received the "Best Service Award" from Chery's Battery Division

Received the 2025 Ningfu New Energy Partner Conference Outstanding Quality Supplier Award

Received the Great Power Value Co-creation Award



Received the Gotion High-Tech Partner 2025 Outstanding Contribution Award



## Tiered Response to Customer Complaints and Closed-Loop Improvement

The Company has established procedures for receiving and handling customer complaints, covering feedback related to products and related services (including design, manufacturing, installation, commissioning, maintenance, response speed, etc.). Multiple complaint channels are set up, including:

1. Customer Service Hotline: Established a customer service hotline 400-991-8650, maintained to ensure customers can call at any time.
2. Email: Published complaint email address market@yifilaser.com, facilitating customer feedback via email.
3. Suggestion Box: Suggestion boxes placed in prominent locations such as office areas and production workshops to collect written customer complaints.
4. On-Site Complaints: Feedback received during customer visits or at project sites.

The Company implements tiered management for complaints (crisis level, major level, important level, general level) and sets corresponding response requirements: For crisis-level complaints, immediately activate the emergency response mechanism, with company leadership forming a dedicated handling team, requiring response within 30 minutes, prioritizing resource allocation for emergency repairs, aiming to restore equipment operation within 24 hours. Major-level complaints require response within 1 hour, prompt cause analysis, prioritizing basic operation support within 24 hours, and providing a solution within 24 hours. Important and general-level complaints have response requirements of 2/4/8 hours respectively, with timely replies via phone or email, recording opinions, and forwarding for improvement.

Regarding the closed loop of complaint handling, the Company specifies: All relevant departments will promptly follow up on the handling and maintain records for archiving. The Company has also established an improvement mechanism for monthly complaint data aggregation, high-frequency problem analysis, optimization of equipment design or service processes, and implementation of experience-based training. The timeliness of complaint handling is incorporated into the KPI assessment of relevant departments.

## Customer Satisfaction Acquisition, Analysis, and Continuous Improvement

The Company has formulated the Control Procedure for Customer Satisfaction Measurement, implementing systematic measurement and improvement across the entire pre-sales, in-sales, and after-sales process: The Marketing Management Center plans the evaluation content and survey methods, prepares questionnaires, and organizes the Marketing Center and business divisions to conduct systematic analysis of the quarterly survey results, forming the Analysis Report of Customer Satisfaction Survey. Dissatisfactory items are classified and summarized, improvement measures are proposed, and responsible departments are urged to implement rectifications. Business divisions cooperate in multi-directional customer communication to encourage customer participation in improving the surveys.

Satisfaction surveys are conducted for newly developed products within six months of market launch. Targeted surveys may be organized for major quality issues, customer complaints, or special circumstances. The Marketing Management Center conducts quarterly statistical analysis of raw scores, focusing on items with the lowest average scores, points of most dissatisfaction mentioned in writing by customers, and items showing a decline compared to previous periods. It organizes relevant departments to take corrective and preventive actions, driving continuous improvement in product and service quality.

## Data Security and Privacy Protection

We regard information security as a crucial foundation for ensuring the stability of company operations and the security of information assets. Addressing the security requirements during information transmission, exchange, and storage, we focus on the confidentiality, integrity, and availability of information. We propose management requirements from dimensions such as information processing system security, information content security, and information dissemination security to mitigate risks like network environment fluctuations and information leakage. During the reporting period, no information security incidents occurred.

### Participated in trade secret protection knowledge training.

Participated in the "2025 Training for 100 Enterprises to Enhance Trade Secret Protection Capabilities" organized by the Ezhou Municipal Administration for Market Regulation, further enhancing the Company's awareness and capability in trade secret protection, thereby supporting the Company's healthy development.



## System Framework and Division of Responsibilities

The Company has established system documents such as the Information Security Management Policy and the Information Security Behavior Norms (Policies) and Implementation Details for Rewards and Punishments, forming an information security management framework of "system constraints + behavioral norms + reward and punishment mechanisms."

The Company specifies that relevant functional departments lead the education of employees on information security awareness, the formulation of behavioral norms systems, and the reporting of information security violations. IT operations are required to implement information security technical measures and daily maintenance. Concurrently, it emphasizes that employees should cooperate with inspections, adhere to behavioral norms, and proactively prevent potential violations.

## Information Asset Protection and Access Control

The Company implements classified and tiered management for confidential information, defining the scope of confidential information. It sets requirements for the storage, borrowing, transfer, and destruction of confidential information on confidential media (such as USB drives, floppy disks, optical disks) and computers. It also emphasizes confidentiality agreements and responsibility constraints for personnel handling confidential data.

In terms of network and account permissions, the company requires grouped management of network accounts and the establishment of a registration system, specifying the standardization of elements such as the user's name, department, password, access permissions and opening time. It also emphasizes the safekeeping of confidential information like accounts and passwords and adherence to professional discipline requirements to prevent leakage of sensitive information.

## Network Security and Endpoint Security Control

The Company proposes management requirements from aspects such as network operation security, malicious code protection, and vulnerability risk control:

- 01** In principle, unauthorized access to computer systems, sensitive information, or user data is prohibited. Standardized management of network structure, device configurations, and key parameters is emphasized.
- 02** Require timely handling of virus risks and regular virus scanning, promoting continuous updates of virus databases and anti-virus software.
- 03** Set retention and review requirements for server and system logs, network information logs, etc., to support anomaly tracing and investigation of unsafe factors.

## Employee Behavior Norms and Confidentiality Management

The Company sets clear requirements for employees' daily information security behavior, covering scenarios such as data security, computer and media security, operation and email security, and personnel and environmental security. This includes restrictions on the dissemination, storage, and use of confidential information; setting boundaries for activities like photography, audio/video recording in office areas, and external information transmission; and emphasizing the requirements for protecting trade secrets and intellectual property, standardizing employees' confidentiality obligations and behavior guidelines in both work and non-work settings.

## Physical Security and Server Room Management

The Company sets requirements for the physical security of key areas and critical facilities, emphasizing the maintenance and effectiveness of security facilities such as surveillance and access control, and restricting unauthorized personnel from entering relevant areas. It also standardizes server room operation order and equipment management, requiring personnel to enter the server room according to regulations, refrain from unauthorized equipment operation, and maintain a clean server room environment, thereby reducing risks of physical intrusion and equipment issues.

## Violation Handling and Reward/Punishment Mechanism

To strengthen the execution of systems, the Company has established mechanisms for investigating, handling, and improving information security violations, forming graded and categorized punishment and reward arrangements: measures such as verbal warnings, written comments/warnings, and financial penalties are taken for violations of varying degrees; cases causing serious consequences or information leakage are dealt with strictly according to the system. Positive incentives are set for compliant behavior, risk identification, and reporting, to foster employees' self-awareness in information security and continuous improvement.

## Industrial Chain Leadership and Synergy Enhancement

We continuously improve our supply chain management system, strengthen supply chain risk identification and full-process control, and ensure the stable supply of key materials and core components. Meanwhile, we integrate compliance management, integrity requirements and the concept of sustainable development into the entire process of supplier access, cooperation and evaluation, and strive to build a stable, efficient and responsible supply chain system.

### Key Performance

During the reporting period:

Number of suppliers with stable cooperation globally: Over **1,000**

Percentage of suppliers who have signed the Supplier Code of Conduct: **100%**



## Governance Structure and Division of Responsibilities

YIFI Laser has established a relatively clear organizational division for procurement and supply chain management: The Supply Chain Center is comprised of the Supply Chain Management Department and the Purchasing Department. Within procurement, roles and teams such as the Outsourcing Group, Subcontracting Group, and Purchasing Group are further configured based on business attributes to support procurement execution, supplier collaboration, and delivery assurance.

Concurrently, through organizational structure optimization and functional upgrading, the Company emphasizes building capabilities such as a supplier resource pool, improving performance management and cost analysis, to enhance the efficiency, agility, and risk resistance of the supply chain system.

## Supplier Admission Due Diligence and Compliance Verification

During the supplier admission stage, YIFI Laser verifies supplier qualifications, requiring documents such as business licenses, production permits, quality management system certifications (e.g., ISO 9001), and environmental and safety certifications (e.g., ISO 14001/ISO 45001) to ensure the legal and compliant foundation of potential partners. The Company simultaneously identifies potential risks through financial stability analysis, judicial litigation record checks, and public opinion monitoring. Through on-site audits, it conducts field evaluations of suppliers' production facilities, storage conditions, and safety management systems to ensure they meet technical standards and safety production requirements.

To enhance supplier information transparency and traceability management, the Company uses the Supplier Basic Information Questionnaire to systematically collect basic supplier information (such as business nature, operation mode, distance to base, existence of dishonesty or legal disputes, etc.), and pays attention to their R&D/development capabilities, quality management system establishment, and related system categories. Concurrently, the questionnaire explicitly requires suppliers to provide relevant qualification documents. Suppliers must commit that the information provided is true and valid, serving as an important basis for the Company's initial qualification review and subsequent audits.

## Cooperation Process Management and Performance Evaluation Mechanism

During the cooperation stage, the Company specifies quality requirements, delivery cycles, confidentiality agreements, and liability for breach of contract in contracts, embedding risk management clauses to strengthen the binding force and enforceability of the cooperation process. The Company has established a regular supplier performance evaluation mechanism, setting KPI indicators (such as on-time delivery rate, quality pass rate, problem response speed). It implements monthly and annual rating management for suppliers, using the evaluation results as an important basis for continuing or adjusting cooperation. For high-risk suppliers, special audits are conducted to examine their financial health, production stability, and compliance performance.



Supplier Trainings

### Key Performance

During the reporting period:

Number of supplier training sessions: **6**, Total supplier training hours: **1,950** hours

## Integrity, Compliance, and Fair Procurement

Through the Supplier Integrity and Self-Discipline Commitment, YIFI Laser sets clear requirements for supplier integrity and compliance: Suppliers commit to abide by national laws and regulations, industry self-discipline provisions, and the Company's relevant integrity management requirements. They shall not provide improper benefits in any form to Company-related personnel or their associates, and commit not to instigate or entice employees to leave their positions or violate their job duties.

The Company encourages suppliers to report improper conduct and provide evidence, while requiring that reports be based on facts and not maliciously fabricated. The commitment also imposes restrictions on fair competition, requiring suppliers not to collude with other suppliers or exclude them from fair competition. In case of violation, the Company may suspend, terminate, or cancel the business relationship, blacklist the supplier, and permanently disqualify them as a supplier.

## Supply Chain Risk Management and Critical Material Supply Assurance

YIFI Laser implements supplier management throughout the entire "admission - cooperation - exit" process. During the exit stage, the Company conducts historical risk event analysis for terminated suppliers, summarizes risk transmission patterns, and archives cooperation records and risk cases to form an internal knowledge base, providing references for subsequent supplier selection and risk prevention.

Regarding the stability of supply for scarce materials and critical components, the Company adopts supply chain optimization and diversification strategies: on one hand, it establishes long-term partnerships with core suppliers, signs long-term agreements, and maintains regular communication to secure priority supply of critical materials. On the other hand, it introduces multiple suppliers to diversify risk, building a supplier resource pool based on different types of equipment.

## Equal Treatment of Small and Medium-Sized Enterprises

YIFI Laser adheres to the principles of openness, fairness, and impartiality in procurement. It applies unified standards and standardized procedures in supplier admission, evaluation, and cooperation management, without setting differentiated thresholds based on enterprise size or ownership form. The Company respects and safeguards the right of small and medium-sized enterprises to participate equally in market competition according to law. It provides cooperation opportunities for SMEs with professional capabilities and technical advantages in areas such as equipment manufacturing, core component procurement, and technical collaboration. Through standardized contract management, clear definition of rights and responsibilities, and maintaining transparent communication, the Company continuously optimizes its cooperation mechanism with SMEs, promoting the stable operation and synergistic development of the supply chain, achieving mutual benefit and win-win outcomes.





# 03 Illuminating Nature, Practicing Green Development

YIFI Laser integrates the concepts of green, low-carbon, and circular development into the entire process of its business operations, proactively assumes responsibility for ecological and environmental protection, and actively responds to the challenges posed by climate change. The Company continuously optimizes its energy structure and resource utilization methods, promotes the application of clean energy, strengthens energy management and pollution control efforts, constantly reduces the environmental impact of its production operations, and promotes the enterprise's green transformation and sustainable development through pragmatic measures.

## Environmental Management, Standardized Procedures

YIFI Laser strictly complies with environmental protection laws, regulations, and relevant standards. It has established and improved an environmental management system, formulating system documents such as the *Quality, Environment, Occupational Health and Safety Management Manual*, the *Control Procedure for Identification and Evaluation of Environmental Factors*, and the *Control Procedure for Obtaining and Identifying Laws, Regulations, and Other Requirements*. It has built an environmental management framework led by the General Manager, clarifying the division of responsibilities, and promoting the institutionalized and standardized operation of environmental management.

Based on the management manual and related procedure documents, the Company monitors and measures the key characteristics of identified operational activities with significant environmental impacts, and supervises and inspects the completion of environmental target indicators and management plans, supporting the continuous improvement of environmental performance.



Environmental Management System Certification

### Key Performance

During the reporting period:

**NO** environmental accidents occurred.

## Identification and Control of Environmental Factors

The Company systematically identifies environmental aspects that it can control or influence in its activities, products, and services. Identification is carried out considering factors such as the use of raw and auxiliary materials, pollutant emissions, energy and resource consumption, impact of equipment operation, and activities of related parties. Evaluation is conducted comprehensively across normal, abnormal, and emergency conditions, as well as past, present, and future stages, forming a list of significant environmental aspects.

Any situation that violates laws and regulations, involves reasonable complaints from relevant parties, or poses pollution risks without corresponding control measures may be directly identified as a significant environmental aspect and registered for management. Upon determination of significant environmental aspects, the Administration Department shall compile a list, formulate environmental objectives, targets and management plans, and organize their implementation for control purposes. When there are changes in the company's activities or applicable laws and regulations, supplementary identification and re-evaluation shall be carried out in a timely manner.

## Compliance Management and Daily Supervision

The Company conducts annual compliance evaluations of the implementation status of "environmental, occupational health and safety laws, regulations, and other requirements", and updates the management list according to procedures to ensure environmental management complies with legal and regulatory requirements.

The Administration Department organizes daily environmental supervision and inspection, promptly correcting general non-conformities, recording issues that cannot be immediately rectified and implementing corrective measures, ensuring the effective implementation of environmental management measures.



## Pollution Prevention and Emission Control

In accordance with the *Wastewater and Exhaust Gas Control Procedure*, the *Waste Management Control Procedure*, and the *Noise Control Procedure*, YIFI Laser has established an environmental management system covering wastewater, exhaust gas, solid waste, and noise. It clearly defines the division of responsibilities and process control requirements, thereby continuously reducing the environmental impact of its production and service activities through classified management, standardized disposal, and supervision and inspection.

### Wastewater Management

The Company implements unified management of wastewater generated from domestic, office, and production service activities. Domestic sewage and flushing water are directly discharged into the municipal sewage pipeline network. Wastewater from cleaning activities in various departments is uniformly collected before being discharged into municipal pipelines; indiscriminate dumping is prohibited. The Administration Department is responsible for regularly cleaning of sewer inlets, and for inspecting and maintaining facilities and equipment such as drainage system pipes, valves, pumps, tanks, and manholes. Non-conformities found are rectified according to procedures, and follow-up verification is conducted.

### Exhaust Gas Management

Since the Company's main production processes involve the assembly and commissioning of machinery, equipment, and related modules, almost no exhaust gas pollutants are generated during production. The primary considerations are kitchen fumes from the canteen and road dust. The Company conducts daily inspection and maintenance of gas and exhaust gas emission facilities. The Administration Department performs regular checks and maintenance on exhaust gas flues and ventilation facilities, promptly repairing any malfunctions. When refrigerant replacement is involved, equipment manufacturers are entrusted to operate according to procedures to reduce the risk of volatilization and leakage.

Regarding dust, the Company reduces dust through measures such as road watering for dust suppression and enclosed cement storage. It sets normative requirements for the storage and use of oil products, volatile chemicals, and organic solvents to prevent the volatilization of harmful gases. Company vehicles use unleaded gasoline and undergo annual exhaust emission tests. Concurrently, exhaust gas and dust management requirements are communicated to construction and related parties, and supervision and inspection are carried out.



## General Solid Waste Management

The Company implements classified management based on waste nature, distinguishing categories such as recyclable waste and general waste. Various departments set up classified waste bins in office areas and factory premises, implementing classified disposal and collection. General waste is uniformly collected and disposed of, while recyclables are handed over to recycling departments.

Regarding division of responsibilities, the Administration Department is responsible for the surrounding environment and waste bin management, the management and disposal of production-generated waste, and supervising and inspecting the waste management status of various departments. Each department is responsible for the daily management of waste within its own work area.



### Hazardous Waste Management

Based on the Company's actual production and operation conditions, the main production processes consist of the assembly and commissioning of machinery, equipment, and related modules. . During the reporting period, industrial waste mainly consisted of general industrial solid waste such as waste packaging materials, scrap metal, and paper. It does not involve the treatment of hazardous waste or the generation of hazardous waste.

### Noise Management

In accordance with the Noise Control Procedure, the Company controls noise generated by equipment operation during production and service activities, ensuring noise levels comply with environmental laws and regulations. The Administration Department is responsible for organizing implementation and supervising inspection. Various departments are responsible for noise management within their respective areas.

For noise from equipment operation, such as pumps, fans, air compressors, and drilling machines, the Company implements control through measures like cutting off noise sources, sound insulation, sound absorption, and limiting operation time. Regular maintenance is carried out according to equipment maintenance plans, with silencing devices installed when necessary. Maintenance operations with high noise levels are conducted in enclosed spaces as much as possible. When modifying or replacing equipment, low-noise equipment is prioritized. The Company concurrently communicates noise management requirements to construction and related parties and conducts supervision and inspection.

#### Key Performance

During the reporting period:

Total general waste: **7.19** tons, including

Waste cardboard **5.17** tons, waste books **0.49** tons, scrap wire **0.56** tons, alloy paper **0.40** tons, scrap material **0.26** tons, waste batteries **0.31** tons

## Climate Governance, Anchoring Dual Carbon Goals

We integrate climate change issues into our overall development strategy system. By promoting energy structure optimization, strengthening energy conservation and emission reduction measures, and deepening the R&D and application of green technologies, we continuously reduce the environmental impact of our business activities, constantly enhance our ability to respond to climate-related risks, and actively seize the development opportunities brought by the low-carbon transition.

### Governance

YIFI Laser embeds its climate governance system within the overall ESG governance framework, further clarifying the division of responsibilities between the Board of Directors and management in climate matters. It promotes the deployment and implementation of related work from the top down, continuously improving the Company's management capabilities and response level in the field of climate change.

### Strategy

#### Analysis of Impacts, Risks, and Opportunities and Response Measures

#### Risks

Risk Name	Risk Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Financial Impact	Response Measures
Risk of Production and Delivery Disruption Due to Extreme Weather (Physical - Acute)	Extreme weather such as heavy rain, high temperatures, and typhoons may affect the operation of production sites, power supply, and logistics transportation, leading to delays in production plans or fluctuations in project delivery schedules.	Short-term	Increased emergency maintenance and management costs.	Develop emergency plans and conduct regular drills; strengthen plant safety and equipment maintenance management; improve supply chain and logistics coordination mechanisms.
Risk of Increased Energy Consumption and Maintenance Costs Due to Climate Change (Physical - Chronic)	Long-term climate change may lead to increased high-temperature operating loads and higher energy consumption, raising production and equipment maintenance costs.	Medium-term/Long-term	Increased energy and maintenance costs.	Strengthen energy management; optimize production scheduling and equipment maintenance; promote the application of energy-saving technologies.
Risk of Increased Policy and Compliance Pressure (Transition - Policy)	Regulatory requirements for "dual carbon" and energy conservation/emission reduction are continuously strengthening. The Company faces higher compliance standards in areas such as energy use and environmental management.	Medium-term	Increased compliance management costs; additional environmental protection investments.	Continuously track policy changes; improve environmental and energy management systems; strengthen internal training and compliance reviews.
Uncertainty Risk of Technology Upgrade Investment (Transition - Technology)	To adapt to low-carbon development trends, the Company needs to optimize product energy efficiency and technical solutions. If the pace of technology investment does not match the market rhythm, it may increase investment uncertainty.	Medium-term	Increased R&D expenses; increased technology validation costs.	Reasonably plan the pace of technology upgrades; strengthen R&D evaluation mechanisms; improve the synergy efficiency between R&D and marketing.

Risk Name	Risk Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Financial Impact	Response Measures
Risk of Changes in Green Procurement and Customer Requirements (Transition - Market)	Customers are paying more attention to green manufacturing and carbon management. Insufficient response by the Company may affect its market competitiveness.	Medium-term	Increased difficulty in order acquisition; increased retrofit costs.	Strengthen communication with customers; optimize product design and energy efficiency; enhance information disclosure transparency.
Climate Information Disclosure and Reputation Risk (Transition - Reputation)	If climate-related disclosures are insufficient or response measures are inadequate, it may adversely affect the Company's corporate reputation and investor confidence.	Medium-term	Brand image affected; increased communication costs.	Improve climate information disclosure mechanisms; strengthen communication with investors and customers.

#### Opportunities

Opportunity Name	Opportunity Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Financial Impact	Response Measures
Energy-Saving Technology Innovation Enhances Product Competitiveness	Conducting energy-saving optimization and technology upgrades for automated production lines and precision laser equipment helps improve product efficiency and market recognition.	Medium-term	Enhance product added value and revenue.	Increase R&D in energy-saving technologies; optimize product energy efficiency indicators; strengthen the transformation of technological achievements.
Production Process Optimization Reduces Operating Costs	By optimizing manufacturing processes and energy management, improve resource utilization efficiency and reduce energy consumption per unit of output value.	Medium-term	Decrease in operating costs; improvement in profitability.	Promote lean production; improve energy statistics and management mechanisms.
Energy Structure Optimization Reduces Long-Term Risks	Improving energy efficiency and gradually optimizing the energy mix helps mitigate the risk of future energy price fluctuations.	Long-term	Stabilize energy costs; reduce carbon cost risk.	Formulate energy optimization plans; promote the application of efficient equipment.
Green Market Demand Brings Business Expansion Opportunities	The growing demand for new energy and green manufacturing is conducive to the Company's automation equipment and intelligent manufacturing solutions expanding market space.	Medium-term/Long-term	Expanded revenue scale; enhanced market position.	Strengthen market development; enhance overall solution capabilities; strengthen customer collaboration.

## Management of Impacts, Risks, and Opportunities

YIFI Laser has built a systematic risk and opportunity management process around climate change:

### 01

**Risk Inventory and Identification:** The Company sorts out climate-related risk and opportunity categories, establishes identification and response methods, and in principle conducts risk and opportunity identification at least once a year, forming a list of climate risks and opportunities.

02

Impact Assessment of Risks and Opportunities: Based on identification, the Company conducts quantitative and qualitative analysis of related risks and opportunities, considering factors such as frequency of occurrence and risk level. It assesses their potential impact on the Company's business activities and financial status, and determines whether corresponding management measures are needed.

03

Response Measures for Risks and Opportunities: Based on the assessment results, the Company improves climate risk response strategies, fills out the Key Risk Management Plan Form, continuously tracks the progress of risk management and control, regularly evaluates the implementation effectiveness of response measures, and promotes the continuous optimization of risk management.

Enhance employees' awareness of climate action

The Company continuously raises employees' awareness of climate action, actively conducting and participating in various training and promotional activities. During the reporting period, it participated in the "2025 Phase 2 Green Trade Special Training," organized and implemented by the Trade Development Bureau of the Ministry of Commerce and the Hubei Provincial Department of Commerce, and co-organized by the Hubei Carbon Emission Trading Center and China Carbon Registry, as well as the "Dual Control of Carbon Emissions" training and exchange meeting held by the Gedian Economic Development Zone.



Participating in the "Dual Control of Carbon Emissions" training and exchange meeting.

## Metrics and Targets

### Key Performance

During the reporting period:

Total GHG emissions (Scope 1): **61.17** tCO<sub>2</sub>e

Total GHG emissions (Scope 2): **1,228.22** tCO<sub>2</sub>e

Total GHG emissions (Scope 1+2): **1,289.39** tCO<sub>2</sub>e

GHG emissions intensity: **0.016** tCO<sub>2</sub>e/RMB 10,000 of revenue



## Energy Management, Efficient Utilization

Centered on the goals of resource conservation and green operations, we integrate energy saving, consumption reduction, and recycling requirements into the entire process of daily operation management. We continuously optimize resource allocation across multiple aspects, from energy use and water resource management to the recycling of office consumables and packaging materials, promoting the formation of a resource-efficient and circular operation model, and continuously improving resource utilization efficiency and green management levels.

### Energy Management

Following the principle of "expanding sources and reducing expenditures, giving equal importance to development and conservation, with priority given to energy conservation", the Company strictly adheres to the requirements of laws and regulations, such as the *Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, during energy management. It strives to ensure project production and normal living needs with minimum energy consumption, actively adopts energy conservation and emission reduction measures, promotes the use of clean energy, and continuously improves energy utilization efficiency.

During the reporting period, the Company's main types of energy use included water, electricity, and natural gas; the type of clean energy used included photovoltaic power.

### Energy Conservation Management Measures

01

Promote technological transformation of electrical equipment, gradually phasing out and upgrading processes and equipment with high power consumption.

02

Turn on on-site electrical equipment when needed to prevent idle operation.

03

Submit energy-saving measures for approval according to regulations before commencing new construction/renovation/expansion projects.

04

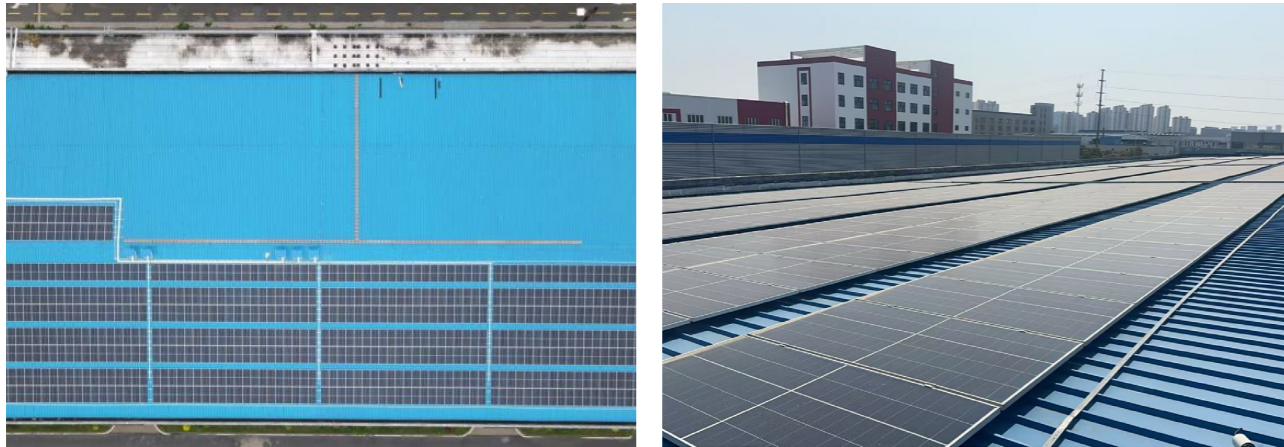
Reasonably configure the number and power of lighting fixtures, eliminate lights left on unnecessarily, and ensure lights are turned off when people leave.

05

Install separate meters for office and production areas to measure and record electricity consumption for statistical, analytical, and control purposes.

## Clean Energy Usage

YIFI Laser actively promotes the application of clean energy by constructing photovoltaic power generation facilities on factory rooftops, converting solar energy into electricity needed for production and operation, and enhancing the green level of its energy structure. In addition to meeting its own electricity needs, the Company also feeds surplus electricity into the public grid, effectively reducing its dependence on traditional energy sources. The Company will continue to deepen the construction of its photovoltaic system and explore supporting energy storage solutions to build a synergistic "generation - storage - consumption" operation mechanism. This will ensure the stability of energy supply during extreme weather or peak electricity consumption periods, further enhancing the self-sufficiency rate of clean energy and overall energy utilization efficiency. The Company has a total of 2 distributed PV projects with a combined installed capacity of 1,258.48 KW. During the reporting period, the Company's self-consumption of PV electricity amounted to 115.04MWh, accounting for 66.39% of the total PV electricity generated, which is equivalent to reducing 46.48 tons of CO<sub>2</sub> equivalent emissions.



### Key Performance

During the reporting period:

Total PV power generation: **173.29** MWh, Self-consumed PV electricity: **115.04** MWh

## Water Resource Management

The water used for the Company's production and office activities is sourced entirely from the municipal water supply system. We attach great importance to the rational utilization and sustainable management of water resources, strictly follow the requirements of relevant laws and regulations such as the *Water Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, scientifically formulate water usage plans, and continuously strengthen the control of water resource usage.

## Water Conservation Measures

Install meters as much as possible based on actual water usage to measure and record water consumption; set up water conservation signs.

Install water-saving valves or faucets for production and cleaning water facilities.

Gradually adopt sprinkler or drip irrigation for landscaping water use and prevent leaks and drips.

Emphasize water conservation for vehicle washing, prohibiting direct connection to tap water for hose washing.

### Key Performance

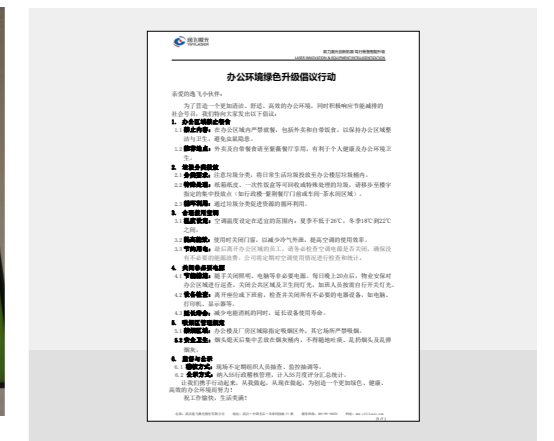
During the reporting period:

Total water consumption: **39,481** tons

## Green Operations and Resource Recycling



New Cohesion actively advocates for green office practices.



The Company released the Initiative for Green Office Environment Upgrade.

## Office Consumables and Material Conservation Measures

- Save paper and recycle waste paper, gradually promoting a paperless office.
- Implement planned usage and quota-based material requisition for engineering materials based on budget; adopt advanced technologies to reduce raw material consumption.
- Exchange old maintenance tools for new ones; recycle and process recyclable parts as much as possible.
- Strengthen motor vehicle maintenance and management to save fuel consumption and improve operational efficiency.

## Packaging Material Management

The Company integrates the concept of circular economy into its product lifecycle management process, continuously promoting raw material conservation and packaging reduction measures. Packaging materials generated from incoming materials and purchased equipment are uniformly dismantled, sorted, collected, and recycled/reused. Turnover materials such as pallets, shelf material boxes, and turnover boxes are managed for reuse, reducing the use of disposable consumables, further improving resource utilization efficiency, and reducing resource consumption.



Secondary Utilization of Purchased Large-Scale Packaging Materials



Reuse of material turnover boxes

### Key Performance

During the reporting period  
Quantity of packaging materials recycled: **228** units

## Harmonious Coexistence, Protecting Ecology

YIFI Laser places great emphasis on ecological and environmental protection. It strictly complies with the Environmental Protection Law of the People's Republic of China and the laws, regulations, and ecological protection red-line management requirements concerning biodiversity protection in its operating locations. During site selection and business layout, it fully considers ecological and environmental factors, avoids construction or business activities in biodiversity-sensitive areas, and minimizes the potential impact on surrounding ecosystems.

During project construction and office operations, the Company focuses on implementing eco-friendly concepts. It improves the regional ecological environment by promoting park greening construction, rationally configuring green spaces, and prioritizing the planting of native, suitable plants, thereby enhancing the ecological function of green spaces and maintaining the ecological balance of the park. The Company continuously monitors the potential impact of its operational activities on the ecosystem, advocates for green office and low-carbon behaviors, guides employees to enhance their awareness of ecological protection, and strives to achieve harmony and unity between enterprise development and ecological environmental protection.



Factory Greening

### Key Performance

As of the end of the reporting period:  
Green coverage area reached: **6,785** m<sup>2</sup> (YIFI Intelligent Central China Intelligent Manufacturing Base)



# 04 Illuminating Hearts, Building a Harmonious Ecosystem Together

YIFI Laser is committed to building a diverse, equitable, and inclusive workplace where every employee can not only be a creator of corporate value but also achieve personal growth and well-being. Through a comprehensive talent development system and all-around employee care, we continuously stimulate the team's potential, integrating employees' personal aspirations into the Company's green vision and the long-term progress of society.

## Compliant Employment, Caring for Employees

YIFI Laser has established a human resources governance structure that aligns with the Company's strategic control model. Strategic coordination and policy formulation are conducted at the headquarters level, while subsidiaries and business units execute efficiently. This ensures close alignment between HR strategies and business needs, supporting the scaled development that brought the total number of employees to 1,153, a year-on-year increase of 15.3%.

### Compliant Employment

YIFI Laser consistently adheres to the principles of legal and compliant employment, strictly abides by national laws and regulations such as the Labor Law and the Labor Contract Law, and has formulated and implemented the Employee Handbook, which covers key aspects including recruitment, hiring, labor contract management, attendance systems, and holiday arrangements.

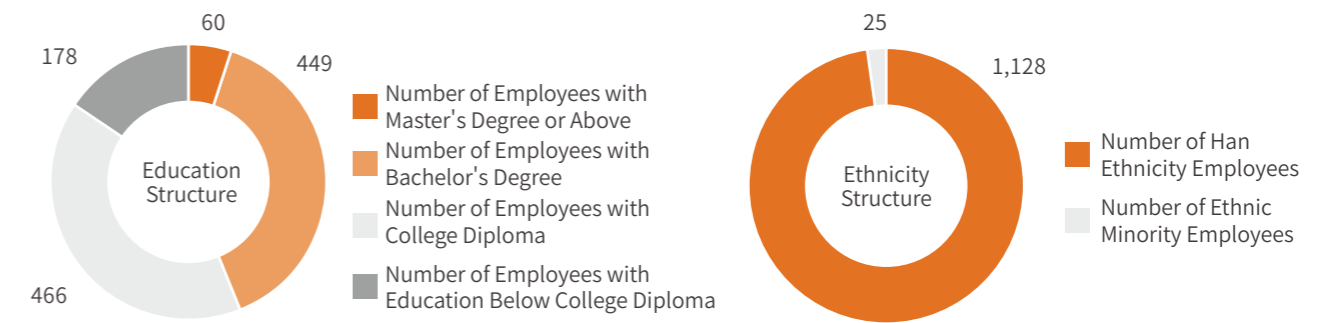
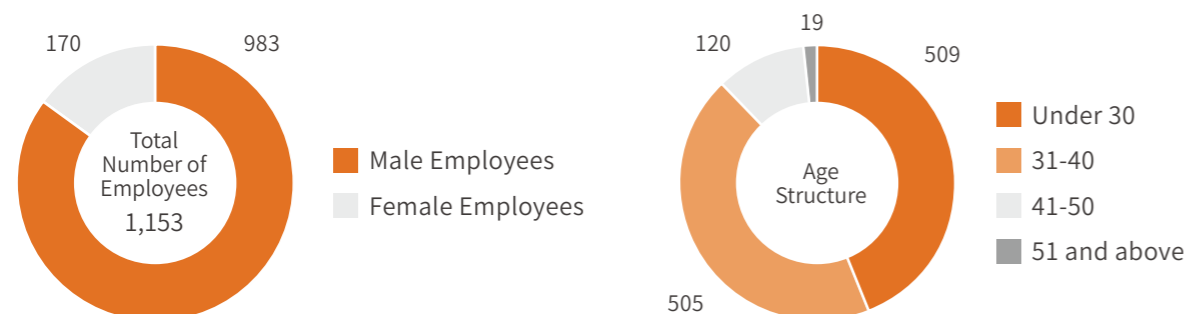
In the process of employee recruitment, the Company adheres to the principles of comprehensive assessment, merit-based selection, appointment based on competence, and prioritizing internal candidates before external recruitment. It strictly prohibits the employment of child labor or underage workers, as well as any form of forced labor. The Company adopts diverse employment forms, including full-time employees, outsourced employees, and hourly workers. Among them, non-full-time employees are uniformly dispatched by third-party labor service companies, which are also responsible for salary and insurance payments, ensuring compliant implementation of relevant rights and interests and providing institutional guarantees for employment practices. The Company strictly follows the principles of fairness and impartiality in recruitment and employment, attracting talent through diversified recruitment channels (online platforms, offline events, campus recruitment, internal referrals, etc.) to ensure equal opportunities. We explicitly prohibit any form of discrimination, and no confirmed incidents of discrimination occurred in 2025.

#### Key Performance

During the reporting period, in terms of compliant recruitment, the Company:

Number of employees: **1,153** persons

The labor contract signing rate for all employees was **100%**, with **100%** compliance for new hires, and **100%** social insurance coverage



## Compensation, Benefits, and Incentive System

The Company has established a multi-tiered compensation and incentive system covering monthly, annual, and long-term components. Amidst rapid business development, it formulates a scientific compensation management system based on local and industry salary levels, employee job levels, positions, and performance appraisals. Through compensation and benefit policies like equity incentives and performance bonuses, it maximizes employee motivation, stimulates their work enthusiasm and creativity, significantly optimizes the input-output ratio, and reflects the internal equity and external incentivizing nature of the compensation system.

To ensure the fairness and credibility of performance assessments, we have established a calibration mechanism for evaluations and formal grievance procedures, guaranteeing that results are horizontally fair and vertically consistent within the organization. Employees can provide feedback and lodge grievances regarding their performance results through formal channels, reinforcing the openness, transparency, and results orientation of performance communication. Performance results are not only utilized for incentive distribution but also serve as a crucial basis for talent identification, training planning, and career development management, thereby constructing an integrated performance application system that combines "evaluation, development, and utilization."

We contribute to basic pension, medical, unemployment, and work-related injury insurances for all employees in accordance with the law, achieving 100% social insurance coverage. In addition to statutory benefits, we have established multiple corporate benefits such as communication allowances, perfect attendance bonuses, and night shift subsidies. We continuously improve and enhance various employee benefits to effectively boost their sense of gain.

Monthly Compensation	Annual Incentives	Special Awards	Long-term Incentives
Comprises base salary, performance pay, position allowance, welfare subsidies, attendance pay, etc.	Includes performance-based year-end bonus, centrally calculated by the company as a bonus pool, with secondary distribution by departments	Project incentives established for patent applications, management improvement, 5S excellence recognition, technology R&D, etc.	The company has completed one round of equity incentives (employee stock ownership + strategic placement)

## Employee Care

Employees are the core driving force of the company's development. Respecting, caring for, and empowering employees is a crucial cornerstone of the company's sustainable development. The company consistently adheres to a people-oriented management philosophy, integrating humanistic care into every aspect of daily management across multiple dimensions, including the work environment, living security, hardship assistance, communication channels, employee relations, and physical and mental health. It is committed to creating a safe, harmonious, warm, and engaging workplace atmosphere for all employees, effectively protecting employee rights, enhancing employee well-being and cohesion, and achieving mutual growth for employees and the company.

<b>Statutory Guarantees</b>	Pay social insurance and housing provident fund for employees in accordance with national regulations, and provide annual leave, marriage leave, maternity leave, paternity leave, bereavement leave, etc.
<b>Allowances and Subsidies</b>	Transportation subsidy, meal subsidy, communication subsidy, seniority subsidy, perfect attendance bonus, holiday benefits, project subsidy, etc.
<b>Health Support</b>	Arrange an annual physical examination for employees and regularly conduct health lectures.
<b>Culture Building</b>	Organize team building activities, travel, basketball/badminton club activities, etc.; provide humanistic care such as employee birthday wishes, customized birthday meals, and holiday gifts.
<b>Special Benefits</b>	Establish a talent subsidy system, provide employee dormitories and free shuttle bus services, and offer benefits for employees' family members such as discounted health checkups and recommendations for children's educational resources.
<b>Hardship Assistance</b>	Establish a hardship assistance fund to provide a certain amount of financial aid to employees whose families are experiencing economic difficulties due to major illnesses, accidents, or other reasons.

## Employee Activities

The Company places high importance on employees' spiritual and cultural needs, regularly organizing various cultural, sports, and festive care activities. These activities break down departmental barriers and enhance communication and collaboration among employees. Through diverse activity formats, they not only alleviate employees' work pressure and enrich their spiritual and cultural life, but also further strengthen team cohesion and unity.

The Company has specifically planned and built comprehensive sports and recreation venues, equipped with facilities such as table tennis rooms, basketball courts, and billiards rooms, providing employees with convenient fitness and entertainment spaces. Employees can participate in various sports and cultural activities in their spare time, which not only enhances physical fitness and relieves work fatigue but also fosters mutual relationships through interaction, creating a positive, healthy, and energetic workplace atmosphere.



Women's Day benefits for female employees.



2025 Spring Festival Annual Party



Ecosion Badminton Competition

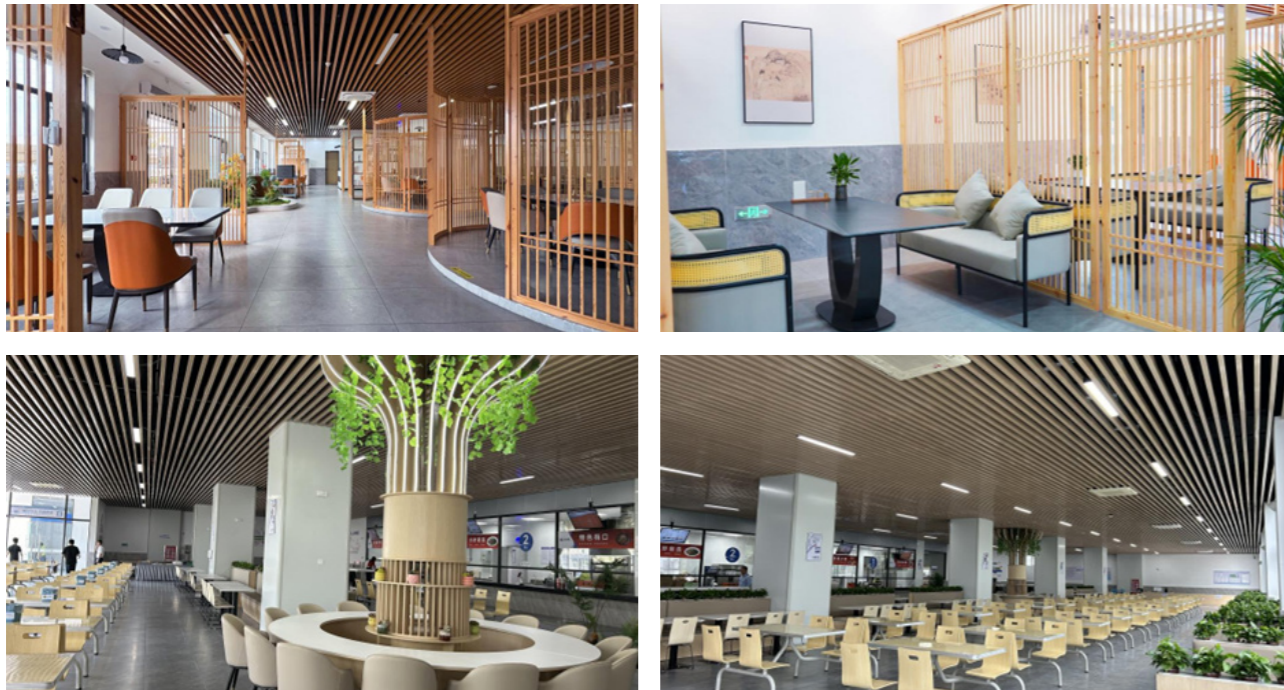


Movie Event for Headquarters Topping-Out Ceremony



## Living Security

The Company consistently prioritizes employee food safety and convenience, striving to build employee canteens with high safety standards. A dual-layout of a main canteen and a smaller canteen is in place to meet the diverse dining needs of employees. The canteens offer a variety of dining options, including buffets, small-dish meals, and set meals. Strict control is exercised over all processes, including ingredient procurement, processing, and sample retention, upholding the bottom line of food safety while ensuring nutritional balance and flavor diversity. This effectively addresses employees' concerns about dining, allowing them to eat with peace of mind and satisfaction.



## Democratic Management

Upholding the management philosophy of "digitalization, refinement, and humanization", the Company comprehensively safeguards the legitimate rights and interests of employees through recruitment systems, training systems, and other means. In 2025, YIFI Intelligent formally established a labor union, providing organizational support for democratic management and communication among employees. We have set up employee suggestion boxes to encourage employees to express opinions and suggestions at any time. A General Manager's mailbox has been activated, providing an exclusive communication channel for employees to reach the Company's top management directly, ensuring that key demands receive high-level attention and timely response. Regular employee symposiums are organized, where management and employee representatives communicate face-to-face, listen to frontline voices, answer questions on the spot, and collect reasonable suggestions. Four employee satisfaction surveys were conducted.

The company has established a complete appeal mechanism for disciplinary actions. If an employee has objections to the disciplinary action received, he/she may submit an appeal in writing to the Enterprise Management Center or the general manager within 5 working days from the date of the disciplinary decision, ensuring the fairness, openness and transparency of the handling process. The exit interview mechanism is jointly implemented by the employing department and the Human Resources Department to understand employees' true thoughts and their opinions on the Company and positions, promoting management improvement.



Employee Suggestion Box



Administrative Service Satisfaction and Suggestion Survey Questionnaire

## Safety Production, Health Protection

YIFI Laser consistently adheres to the management principle of "Safety First, Prevention-oriented, and Comprehensive Management". It has established a comprehensive, well-structured, and rigorously enforced safety production and occupational health management system. Committed to building a safe and healthy working environment, it prevents accidents and occupational diseases through systematic management and continuous improvement, safeguarding the safety and health of all employees and relevant parties entering the Company's premises. The Company's commitments and actions permeate every aspect of governance, strategy, risk management, and daily operations. All work strictly follows national laws and regulations, such as the *Law of the People's Republic of China on Work Safety and the Regulation on Emergency Responses to Work Safety Accidents*.

### Key Performance

During the reporting period,  
Work safety investment: RMB **189,600**

## Governance

The Company has formulated the *Employee Health and Safety Control Procedure* and established an employee health and safety management structure centered on a two-tier management responsibility system. This structure clarifies the chain of responsibility from the highest decision-making level down to the execution level. Through an employee representative mechanism, it ensures the right to information and participation of frontline employees in occupational health and safety matters.

Governance Role	Main Responsibilities
General Manager	As the primary responsible person for employee health, the General Manager provides overall leadership for the Company's employee health management work.
Heads of Departments	Heads of departments are accountable to the General Manager and are responsible for implementing all employee health management tasks within their departments, including safety and health training for new and transferred employees, and the establishment of employee health records.
Enterprise Management Center	The Enterprise Management Center is responsible for formulating and organizing the implementation of the Company's Employee Health and Safety Control Procedure, while also supervising and inspecting the implementation status of various departments. It conducts an annual evaluation of the comprehensive employee health management status of each department. The results serve as important input for management reviews, driving the continuous improvement of the management system.
Employee Representatives	Participate in the formulation and review of policies and objectives, hazard identification, and risk assessment; reflect frontline health and safety demands; and communicate relevant information.

The Company has formulated the *Control Procedure for Environmental, Occupational Health, and Safety Monitoring and Measurement*, clarifying the division of responsibilities for monitoring and measurement work. The Administration Department is the main control department for this procedure, responsible for supervising the Company's environmental and occupational health and safety objectives, targets, and their completion status, evaluating compliance with relevant laws and regulations, and reporting to

the Management Representative. The safety and environmental personnel in the Administration Department are responsible for daily environmental, occupational health, and safety inspections, recording, tracking, and verifying any non-conformities found. Each department is responsible for supervising its own environmental, occupational health, and safety operations and recording inspection results.

The Company has established and implemented an occupational health and safety management system in accordance with GB/T 45001-2020 / ISO 45001:2018 standards and has obtained certification. This signifies that the Company's occupational health and safety management level is aligned with international standards, laying a solid foundation for the continuous improvement of safety management performance.



Occupational Health and Safety Management System Certification

## Strategy

The Company has formulated a comprehensive system of occupational health and safety production management systems, serving as the guideline for all safety activities. This includes a series of core documents such as the *Employee Health and Safety Control Procedure*, the *Contractor Management System*, the *Work Safety Management System*, the *Hazardous Materials Management System*, and the *Control Procedure for Environmental, Occupational Health and Safety Monitoring and Measurement*. They cover all key aspects from employee health monitoring and contractor management to special operation permits, hazardous materials management, emergency response, and performance monitoring.

### Key Performance

During the reporting period,

**52** personnel, including safety officers, special equipment administrators, forklift operators, fire facility operators, crane Q2 certificate holders, high/low voltage electricians, and occupational health administrators, completed certificate renewal; **2** X-ray flaw detection operators from the Research Institute obtained qualification certificates.

We strictly implement the *Occupational Disease Prevention and Control Management Measures*. Each department prepares the Company's employee physical examination plan before the end of each year, regularly organizes corresponding occupational health examinations for employees, and follows the *Provisions on Health Care for Female Employees* issued by the National Health Commission, caring for the health of female employees. Concurrently, we pay attention to employees' mental health, relying on the labor union platform and introducing third-party professional resources to provide psychological support services. We regularly conduct health lectures, emotional management and stress-relief activities, comprehensively promoting the physical and mental health development of employees.

### Key Performance

During the reporting period:

Occupational disease incidence rate: **0**, Coverage rate of occupational health examinations: **100%**, Coverage rate of employee health check-up: **100%**

## Analysis of Impacts, Risks, and Opportunities and Response Measures

### Risks

Risk Name	Risk Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Response Measures
Operational Safety Risks	Various operational safety risks during the production process, including mechanical injury, electric shock, crane injury, burns, and object strikes, may lead to casualties, equipment damage, and production interruptions.	Short-term	<ul style="list-style-type: none"> <li>Strictly implement various operational safety accident emergency plans, strengthen pre-job training and the provision of personal protective equipment, and continuously identify hazards through daily safety inspections.</li> <li>Introduce intelligent inspection systems to monitor the operating status of key equipment in real-time and provide early warnings of abnormalities.</li> </ul>
Contractor Management Risk	Weak safety awareness, illegal operations, and insufficient qualifications of contractors may lead to accidents, and the definition of responsibilities is complex.	Short-term	<ul style="list-style-type: none"> <li>Strictly implement the Company's contractor admission review, safety agreement signing, entry training, on-site supervision, and violation penalty mechanisms.</li> <li>Establish contractor safety performance files, linking safety performance with future cooperation opportunities, and implementing a survival-of-the-fittest approach.</li> </ul>
Risk of Insufficient Emergency Response Capability	When emergencies occur, slow response, insufficient resources, or inapplicable plans may lead to the escalation of accidents, causing greater losses.	Short-term	<ul style="list-style-type: none"> <li>Continuously improve the three-tier emergency plan system, regularly organize multi-scenario emergency drills, ensure sufficient emergency supplies, and update internal and external communication mechanisms.</li> <li>Establish an emergency command center, equipped with an emergency communication system, to achieve unified cross-departmental dispatch.</li> </ul>

### Opportunities

Opportunity Name	Opportunity Description and Potential Impact	Impact Period (Short-term/Medium-term/Long-term)	Response Measures
Opportunities for Technology-Driven Safety Upgrades	Introducing automation equipment and intelligent monitoring technologies can reduce personnel exposure to hazardous environments, lower the probability of accidents, and enhance intrinsic safety levels.	Medium-term	<ul style="list-style-type: none"> <li>Continuously promote the R&amp;D of automated production lines, using existing monitoring data to support technological</li> <li>Explore applications of technologies such as robots replacing high-risk operations and wearable devices for real-time monitoring of personnel status.</li> </ul>
Opportunities for Data-Driven Improvement	Through systematic safety inspections and data analysis, accident trends can be identified and the accumulation of hazards can be prevented, achieving continuous management improvement.	Long-term	<ul style="list-style-type: none"> <li>Conduct annual statistical analysis of safety inspection results and submit them for management review, providing a basis for management decision-making.</li> <li>Establish a safety performance data platform to achieve digital closed-loop management of hazards, accidents, and rectifications.</li> </ul>

## Occupational Health and Safety Production Emergency Plans

The Company has established a comprehensive emergency management system and emergency plans, equipped with ample emergency supplies and clear internal and external communication mechanisms. Through regular drills, it continuously tests the operability of the plans, ensuring rapid response and effective handling of emergencies to minimize accident losses.

YIFI Intelligent has formulated the Emergency Plan for Production Safety Accidents. It regularly conducts comprehensive hazard and harmful factor identification for plant layout, process equipment, and utilities, identifying major accident categories such as mechanical injury, fire and explosion, electric shock, and crane injury, and designating high-risk areas as key prevention targets. Concurrently, it uses the LEC method for quantitative grading of hazards, determining the emergency response level based on risk values to ensure resources are focused on high-risk areas.



### Key Performance

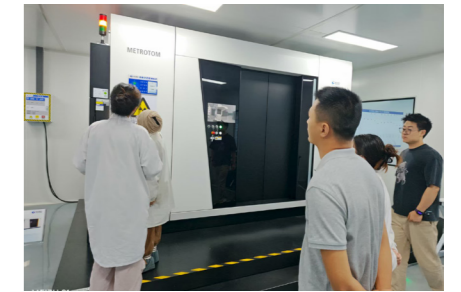
During the reporting period, the company regularly carried out safety inspections and hazard identification and management in production areas, focusing on key aspects such as equipment/facility operation, personnel operation compliance, and on-site management processes. It focused on preventing risks such as mechanical injury, fire/explosion, electric shock, and crane-related injuries, achieving a **100%** inspection coverage rate and a **100%** hazard identification rate, as well as a **100%** rectification rate for identified hazards.

## EHS Training

In 2025, the Company conducted systematic and multi-level training and emergency drills centered on occupational health and safety production, organizing a total of 15 various EHS training sessions and 4 emergency drills. Training content covered key areas such as post-holiday resumption of work, electrical safety, gas cylinder and special equipment management, job-specific safety operating procedures, CPR, summer heat prevention, radiation safety, and fire safety. Training targets included safety officers in various areas, property management personnel, special equipment managers, project managers, supplier representatives, and relevant personnel from the research institute, with over 180 participants in total. The training adopted a combination of online and offline methods, emphasizing both theory and practice. Practical drills such as radiation leakage emergency drills, fire drills, severe weather tabletop simulations, and mechanical processing cell warehouse drills effectively tested the operability of the emergency plans, enhanced employees' emergency response capabilities and safety awareness, laying a solid foundation for the Company to build an intrinsically safe enterprise.

## The Company organized a radiation accident emergency drill.

On September 12, 2025, the Company's Research Institute conducted a radiation accident emergency drill. Through radiation safety knowledge promotion and simulated emergency response drills, relevant personnel became familiar with the procedures of the radiation accident emergency plan, mastered the use of radiation monitors and protective equipment, and learned key skills such as personnel evacuation and casualty treatment. This enhanced the Institute's rapid response, coordinated operations, and on-site handling capabilities for sudden radiation accidents, minimizing the impact of accidents on people, the environment, and society.



## Jiangsu YIFI conducted a fire emergency drill.

In July 2025, Jiangsu YIFI organized a company-wide fire drill. The drill simulated a fire scene, conducting emergency evacuation, CPR training, and practical fire extinguishing exercises. Through the drill, employees mastered the use of fire-fighting equipment and escape skills, verified the effectiveness of the emergency plan, and identified areas of weak safety awareness for subsequent enhanced training.



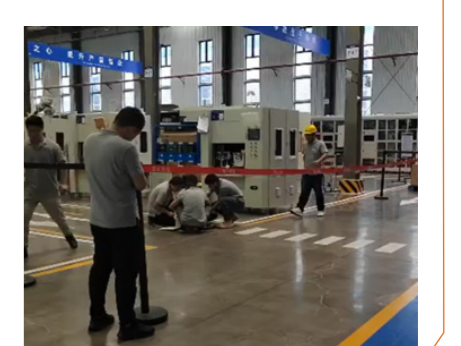
## New Cohesion Conducted "Emergency Escort, Healthy Future" Health Education Lecture

In April 2025, New Cohesion organized a special health education lecture, inviting a teacher from the Wuxi Weimin Health Office. The content covered CPR first aid knowledge, the Heimlich maneuver, occupational health, chronic disease prevention, and mental health counseling. The training covered all employees. This lecture enhanced employees' health literacy and emergency self-rescue capabilities, serving as an important practice for the Company to implement occupational health management and build a safe and healthy working environment.



## YIFI Intelligent Conducts "Forklift Emergency Accident Drill"

In April 2025, to implement the principle of "giving equal importance to prevention and emergency response," YIFI Intelligent organized and conducted a forklift accident emergency rescue drill. The drill simulated a scenario where a forklift operating in the plant area accidentally struck a workshop employee. Following the simulated accident, the emergency plan was quickly activated. All phases, including cordoning off the area, medical rescue, and equipment hazard elimination, were executed with rapid response, clear division of labor, close coordination, and standardized procedures, successfully achieving the expected drill objectives.



## Management of Impacts, Risks, and Opportunities

The safety and environmental personnel in the Company's Administration Department and workshop safety management personnel are responsible for daily inspections, conducting classified checks on general and significant environmental aspects, and recording, rectifying, and verifying non-conformities. Before holidays and during seasonal changes, they organize special inspections for fire prevention, electricity use, etc., and fill out corresponding record forms. For hazardous operations such as hot work, work at height, and confined space entry, they strictly verify work permits and the implementation of safety measures. They implement full-process control over contractors, including qualification review, safety agreement signing, entry training, on-site supervision, and hazardous materials management, dealing with violations according to the Disciplinary Regulations.

In accordance with the *Control Procedure for Environmental, Occupational Health, and Safety Monitoring and Measurement*, the Administration Department annually conducts statistical analysis of environmental, occupational health, and safety inspection results and submits them to the management review meeting, providing a basis for management's continuous improvement decisions. Concurrently, the Administration Department conducts an annual evaluation of compliance with the list of "environmental, occupational health and safety laws, regulations, and other requirements", checking the implementation of laws and regulations and updating them promptly.

## Indicators and Targets

The Company has set the occupational safety and health management objectives of "zero fatal accidents and zero occupational hazard accidents", integrating this long-term vision into the formulation and assessment of various quantitative indicators. Through the hierarchical decomposition of annual goals, dynamic monitoring of daily processes, and continuous improvement of problem rectification, the effective operation of the occupational safety and health management system is ensured, and the harmonious unity of employees' physical and mental health and the company's high-quality development is finally achieved.

Indicator	Unit	2025
Total Investment in Safety Production	RMB 10,000	18.96
Number of Work-Related Injury Incidents (Employees)	Case(s)	1
Number of Work-Related Injury Incidents (Contractors)	Case(s)	0
Number of Work-Related Injuries (Minor Injuries and Above)	Person(s)	1
Fatalities in Work-Related Accidents	Person(s)	0
Number of Employee Occupational Health Training Sessions	Session(s)	2
Employee Occupational Health Training Hours	Hours	1,312
Employee Occupational Health Training Coverage Rate	%	100
Employee Medical Examination Coverage Rate	%	100
Occupational Disease Incidence Rate	%	0
Average Occupational Health and Safety Training Hours per Employee	Hours	8.71
Number of Emergency Drills for Safety Production	Session(s)	4
Participants in Emergency Drills for Safety Production	Person-times	125

## Systematic Talent Cultivation, Empowering Growth

Centering on the organizational construction goal of "efficiency and professionalism", YIFI Laser upholds the talent philosophy of "valuing both integrity and ability, prioritizing integrity, optimizing talent potential, and achieving shared growth." Through a talent development model of "data-driven, efficiency-first, growing with the business", it has built a complete talent development system covering "recruitment and optimization - training and development - systematic construction - talent echelon building." Through hierarchical and classified precise training courses, improved key talent training mechanisms and clear and implementable career development channels, the company continuously empowers employees' growth, helps employees achieve personal value improvement, and finally achieves a win-win situation between employees' value and enterprise development, laying a solid talent foundation for the company's high-quality development.

## Training System

Adhering to the fundamental training principles of "practicality, effectiveness, and targeting", and following the training policy of "by level, by category, by stage", the Company has established a company-wide training mechanism deeply aligned with its strategy. The training system consists of an operation system and a support system, covering the entire process of needs research, plan formulation, training implementation, and effectiveness evaluation.

System Component	Main Content
Operation System	Based on performance improvement goals, it promotes the growth of employee knowledge, skills, and mindset, forming a positive cycle of training needs research, plan formulation, training implementation, and effectiveness evaluation.
Support System	Training organizational structure, system revision, learning platform (Zhuoyi Academy), learning culture construction, curriculum system, and instructor system.
Online Platform	Possesses the "Zhuoyi Academy" online learning platform, continuously improving online course development to meet employees' fragmented and personalized learning needs; developed 119 internal and external course resources in 2025.

The Company sets differentiated training courses for new employees, on-the-job employees, and management personnel, ensuring that training content precisely matches the capability requirements of each job level.

### Key Performance

In 2025, it conducted **118** professional skills training sessions, training **2,358** person-times annually, with a total of **7,749** training hours. The core project, the "Innovation in Action, Intelligence Leading the Future" Young and Middle-Aged Cadre Training Camp, totaled **45** class hours.

Training Target	Course Setting
New Employees	Onboarding training series (company introduction, system explanation, safety knowledge, management system, etc.), totaling 12 class hours, scheduled monthly; probationary period career coaching plan.
On-the-Job Employees	Job training map, business knowledge and professional skills (conducted monthly), safety training series courses (monthly), general workplace courses (official document writing, business etiquette, emotional management, etc.).
Management Personnel	Capability enhancement through projects such as the "Young and Middle-Aged Cadre Training Camp" and "Zhuoyi Academy", adopting a combination of learning and practical training. Provided optional learning paths for management personnel, including "degree education" (such as MBA courses) and "job certification."
Special Positions	Certification training and practical guidance for special operators, ensuring 100% certification for positions. Provides special financial support for the certification and renewal of licenses for forklift operators, electricians, etc.

### "Innovation in Action, Intelligence Leading the Future" YIFI Laser "Young and Middle-Aged Cadre Training Camp"

In January 2025, the Company conducted the Young and Middle-Aged Cadre Training Camp for young and middle-aged management cadres and key employees. Adopting a model combining "external training + practical training", it systematically empowered participants on themes such as leadership, talent management, and performance improvement, effectively strengthening the practical capabilities of the management team and injecting core momentum into the Company's sustained growth.



## Talent Cultivation and Development

The Company has established a systematic talent management system for key positions. Centered on the principles of "internal cultivation as the main approach, external recruitment as a supplement, fair competition, and merit-based selection", it scientifically selects talents for key positions from three dimensions: value standards, competency standards, and values standards. Through the development of internal and external course resources and the enhancement of professional skills training, it gradually establishes a systematic talent cultivation mechanism. Through IDP (Individual Development Plan) projects, it promotes the transformation of management capabilities and completes full coverage of the job skill matrix inventory, providing employees with clear career development paths.

In terms of training methods, the company adopts various forms such as job rotation, internal part-time work, talent deployment, systematic on-the-job training and on-the-job coaching to comprehensively improve employees' comprehensive quality. At the same time, it is clearly stipulated that talents in key positions must complete rotations in no less than 2 positions before they can participate in the promotion competition, so as to ensure that talents have comprehensive capabilities and practical experience, and help talents achieve all-round development.

Regarding promotion paths, the Company has designed a clear growth path for management personnel: Junior managers focus on role recognition and task execution; middle managers focus on team management and goal execution; senior managers focus on strategic decision-making and leadership. Through procedures such as competitive selection for positions, democratic evaluation, and cadre assessment, it ensures the openness, fairness, and impartiality of the selection process.

Furthermore, the Company gradually improves its internal instructor team, motivating internal experts to accumulate and pass on knowledge through course development incentives, providing a continuous supply of instructors for talent cultivation.

## Industrial Synergy, Co-creating Value

### Deep Integration of Industry, Academia, and Research

The Company places great importance on collaborative innovation with universities and research institutions. As a long-term, stable internship and training base for top domestic universities such as Huazhong University of Science and Technology, as of the end of the Reporting Period, we have established cooperation with Huazhong University of Science and Technology, Huazhong Agricultural University, the Chinese Academy of Sciences, Jiangsu University, and Songshan Lake Materials Laboratory, deeply practicing the social responsibility of integrating industry and education and collaborative talent cultivation.

### Leading the "Key Technologies and Equipment Development for Precision Laser Welding of Full-Tabs in Large Cylindrical Batteries" Project

On August 29, 2025, the project "Key Technologies and Equipment Development for Precision Laser Welding of Full-Tabs in Large Cylindrical Batteries," led by the Company and jointly undertaken by battery enterprises such as EVE Energy, Gotion High-Tech, CORNEX NEW ENERGY, and Yunsa Energy, as well as research institutions including Huazhong University of Science and Technology and Wuhan Yizhixingcheng Technology Testing Co., Ltd., was officially launched. Through the collaborative innovation of "government, industry, academia, research, and application," the project aims to comprehensively improve the mass production processes and equipment levels for large cylindrical batteries.



### Organize enterprise training programs for current university students

In 2025, the Company successfully accepted and systematically organized corporate training projects for a total of 160 person-times of university students from Huazhong University of Science and Technology and other institutions. All trainees were included in the Company's unified "on-the-job personnel" training system, ensuring they received safety, compliance, and job skills training to the same standards as regular employees.



## Leading the Formulation of Industry Standards

The Company actively participates in industry technical exchanges and standard formulation work. Leading or participating in the development of national, industrial, and group standards, it promotes the standardized development of the laser equipment field. As of the end of the reporting period, the total number of standards the Company has participated in formulating is 45, including 3 national standards, 23 group standards, and 19 enterprise standards. The Company's products are widely used in multiple fields such as new energy batteries, semiconductors, and automotive components. Leveraging profound technological accumulation and rich industry application experience, it provides strong support for the intelligent upgrading of downstream industries.

### Participation in Formulating Group Standards

The Company actively participates in the formulation of industry standards. In 2025, as the primary drafting entity, the Company worked on the group standard for "Large Cylindrical Battery Intelligent Production Line," which is expected to be completed in 2026.



## Participation in Industry Associations

We deeply integrate into the industry ecosystem, actively constructing a multi-dimensional industrial collaboration network. By holding core positions in industry associations related to laser processing, welding technology, mechanical engineering, and software informatization, the Company effectively participates in industry policy discussions, technical standard exchanges, and industrial resource matching.

Industry Organization Name	Participating Body	Membership Level
China Industrial Association of Power Sources	Wuhan YIFI Laser Corp., Ltd.	Member
China Welding Association	Wuhan YIFI Laser Corp., Ltd.	Executive Council Member, Deputy Chairman Unit
China Machinery Industry Federation	Wuhan YIFI Laser Corp., Ltd.	Member
Hubei Mechanical Engineering Society	Wuhan YIFI Laser Corp., Ltd.	Executive Council Member
Hubei Laser Industry Association	Wuhan YIFI Laser Corp., Ltd.	Deputy President Unit
Hubei Software Industry Association	Wuhan Dayan Software Co., Ltd.	Member
Wuhan Enterprise Confederation, Wuhan Entrepreneurs Association	Wuhan YIFI Laser Corp., Ltd.	Deputy President Unit
Wuhan Laser Association of Optics Valley of China	Wuhan YIFI Laser Corp., Ltd.	Deputy President Unit
The Listed Companies Association of Hubei	Wuhan YIFI Laser Corp., Ltd.	Member

## Industry Cooperation

In 2025, YIFI Laser deeply integrated into the industry ecosystem, continuously expanding its brand influence through multi-dimensional industrial synergy practices. We made frequent appearances at numerous domestic and international forums and exhibitions, establishing deep connections with global industrial chain partners. Through industry activities, while consolidating our leading position in lithium battery equipment technology, we continuously convey the brand value of China's intelligent manufacturing. During the reporting period, the company participated in 27 industry exhibitions and forums.

### Signed a strategic cooperation agreement with Endurance

The Company signed a strategic cooperation agreement with Endurance, a leading Indian automotive component manufacturer. This partnership will leverage YIFI Laser's innovation capabilities alongside Endurance's industrial integration capabilities, focusing on advanced battery technology areas. They will engage in joint R&D for innovative processes and equipment, collaborate on developing the cell and module/PACK market, and jointly refine localized service networks across regions including India, in order to address the rapidly developing global new energy industry.



### Participation in International Exhibitions



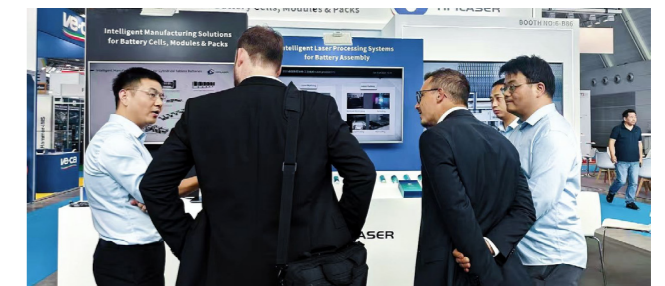
The Battery Show Korea



The Battery Show North America



The Battery Show Europe



The Battery Show Europe

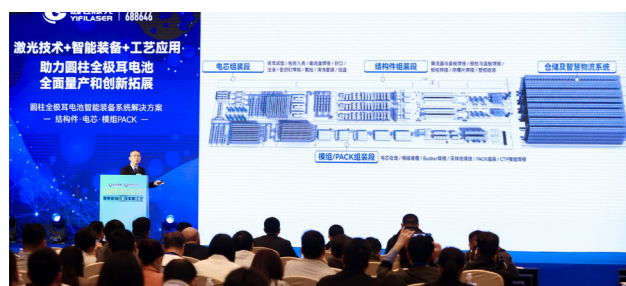
## Participation in Domestic Exhibitions and Forums



LCB 2025 Large Cylindrical Battery Technology and Market Development Summit Forum



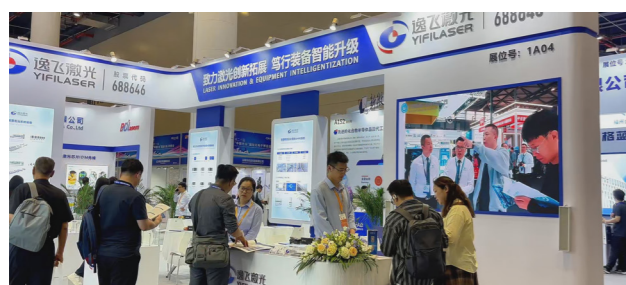
Co-authored and released the "2025 China Large Cylindrical Battery Industry Development White Paper"



Starting Point Lithium Cylindrical Battery Technology Forum



The 18th GGII Lithium Battery Industry Summit



Optoelectronic Expo



CBIS2025 Power Battery Summit

## Professional Fulfillment with Efficient Delivery



The mass production line of 46-series large cylindrical batteries was smoothly delivered to a top-tier global battery customer.



Ecosion's first 180ppm automatic assembly line for large cylindrical battery covers in the industry has been rolled off the production line.

# Fulfilling Responsibilities, Contributing to Society

YIFI Laser consistently integrates social responsibility into its corporate development strategy, actively giving back to society and focusing on key areas such as education, community development, and rural revitalization. In 2025, the Company continued to deepen its public welfare practices, expand participation methods, enhance social impact, and promote the common progress of the enterprise and society. Through educational assistance and community support, we actively fulfill our corporate citizenship obligations, donating RMB 100,000 to the "Optics Valley Charity Student Grant" specifically to support local students in need and promote educational equity.

### Promoting Consumption-Based Poverty Alleviation Procurement

In response to the national rural revitalization strategy, the Company actively advances targeted rural revitalization procurement initiatives. It has made targeted purchases of high-quality local agricultural products and specialty foods from Lichuan, Enshi, including specialty tea, Huangjing products, and preserved pork, with total procurement amounting to RMB 232,200. These efforts have effectively helped local farmers increase their incomes and achieve prosperity, supported the sustainable development of rural industries, and embodied the Company's responsibility and commitment to contributing to rural revitalization.

### Promoting Ethnic Unity

The company has always adhered to the principles of equality, unity, mutual assistance and harmony among all ethnic groups, actively implemented the relevant requirements for ethnic unity and progress, and taken the initiative to absorb compatriots from ethnic minorities for employment, helping to promote the integrated development of ethnic unity.

At present, the company has recruited compatriots from multiple ethnic minorities such as Tujia, Miao and Chaoxian ethnic groups to join the team, providing ethnic minority employees with equal employment opportunities, a fair development platform and a sound rights and interests protection system.

We respect the customs and habits of all ethnic groups, advocate mutual help and common growth among employees of all ethnic groups, and gather the joint force of ethnic unity through employment empowerment, which fully demonstrates the company's social responsibility and humanistic care.

### Key Performance

During the reporting period,  
Social welfare investment: RMB **100,000**, Consumption Poverty Alleviation Procurement Amount: RMB **232,200**

# Appendix

## Data Performance Table

### Financial Performance

Indicator	2023	2024	2025	Unit
Revenue	67,085.75	69,206.87	80,301.21	RMB 10,000
Total Assets	247,724.15	282,398.60	313,521.85	RMB 10,000
Net Profit Attributable to Shareholders of the Parent Company	9,680.53	2,542.93	-4,894.84	RMB 10,000
Tax Paid	3,090.82	1,872.51	3,119.53	RMB 10,000
Amount Paid for Share Repurchases (Excluding Transaction Fees)	-	8,307.19	7,757.88	RMB 10,000
Total Cash Dividends Distributed (Tax Included)	3,104.73	1,219.72	7,757.88	RMB 10,000

Note: In accordance with the *Rules on Share Repurchase by Listed Companies*, cash-based share repurchases by listed companies via tender offer or centralized bidding shall be regarded as cash dividends and included in the relevant proportion calculation.

### Social Performance

Indicator Category	Indicator Name	2025	Unit
Total Number of Employees	Total Number of Employees	1,153	Person(s)
Number of Employees by Gender	Number of Male Employees	983	Person(s)
	Number of Female Employees	170	Person(s)
Proportion of Employees by Education	Master's Degree and Above	60	Person(s)
	Bachelor's Degree	449	Person(s)
	College Diploma	466	Person(s)
	Below College Diploma	178	Person(s)
Proportion of Employees by Age	30 and Below	511	Person(s)
	31 to 40	506	Person(s)
	41 to 50	118	Person(s)
	51 and Above	18	Person(s)
Employee Training	Total Number of Trainees	1,153	Person(s)
	Total Employee Training Hours	8,810.35	Hours

Indicator Category	Indicator Name	2025	Unit
Occupational Health and Safety Production	Total Investment in Safety Production	18.96	RMB 10,000
	Occupational Health Training Coverage Rate	100	%
	Average Training Hours per Employee	8.71	Hours
	Number of Work-Related Injuries (Employees)	1	Person(s)
	Number of Work-Related Injuries (Contractors)	0	Person(s)
	Fatalities in Work-Related Accidents (Employees)	0	Person(s)
	Fatalities in Work-Related Accidents (Contractors)	0	Person(s)
	Number of Fatal Work-Related Accidents (Employees)	0	Case(s)
	Number of Fatal Work-Related Accidents (Contractors)	0	Case(s)
	Contractor Safety Agreement Signing Rate	100	%
	Coverage Rate of Occupational Health Examinations	100	%
	Occupational Disease Incidence Rate	0	%
Public Welfare and Charity	Total Public Welfare and Charity Investment	10	RMB 10,000
Supply Chain Management	Total Number of Suppliers	1,000+	Number
Information Security and Privacy Protection	Information Security Incidents or Violations of Relevant Laws and Regulations	0	Case(s)
Innovation Drivers	R&D Investment	11,136	RMB 10,000
	R&D Investment as % of Revenue	13.87	%
	Number of R&D Personnel	453	Person(s)
	R&D Personnel Ratio	39.29	%
	Accumulated applications for intellectual property rights:	1,095	Case(s)
	Number of valid intellectual property rights held:	742	Case(s)
	Number of invention patents held:	158	Case(s)
	Number of utility model patents held:	368	Case(s)
	Number of design patents held:	18	Case(s)
	Number of new intellectual property rights applications filed:	51	Case(s)
Number of new intellectual property rights granted:	106	Case(s)	
Number of software copyrights held:	159	Case(s)	

## Governance Performance

Indicator Category	Indicator Name	2025	Unit
Corporate Governance	Number of Board Members	9	Person(s)
	Number of Female Directors	0	Person(s)
	Number of General Meeting of Shareholders Held	3	Session(s)
	Number of Board Meetings Held	8	Session(s)
Information disclosure	Number of Periodic Announcements Disclosed	3	Number
	Number of Interim Announcements and Online Disclosure Documents	142	Number

## Environmental Performance

Indicator Category	Indicator Name	2025	Unit
Environmental compliance management	Environmental Violations and Penalties	0	Case(s)
Water Resource Management	Total Water Consumption	39,481	Tonne(s)
Energy Management	Natural Gas Consumption	11,965	m <sup>3</sup>
	Gasoline Consumption	16,309.35	L
	Purchased Electricity	1,886.72	MWh
	Self-Consumed PV Electricity	115.04	MWh
Addressing Climate Change	Scope 1 GHG Emissions	61.17	tCO <sub>2</sub> e
	Scope 2 GHG Emissions	1,228.22	tCO <sub>2</sub> e
	Total Greenhouse Gas Emissions (Scope 1+2)	1,289.39	tCO <sub>2</sub> e
	Greenhouse Gas Emission Intensity (Scope 1+2)	0.016	tCO <sub>2</sub> e/ RMB 10,000 of revenue

## Report Index Table

Chapter/Section	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)
About This Report		2-1、2-2、2-3
Message from the Chairman		
About YIFI Laser		
ESG Governance	Due Diligence, Stakeholder Engagement	2-29、3-1、3-2、3-3
Feature: Platform Enhancement and Multi-Dimensional Expansion: The "Laser + Intelligent Equipment" Strategy Driving a New Paradigm of Sustainable Development		
<b>Illuminating Foundations, Fortifying Sustainable Roots</b>		
Improving Governance, Fortifying the Foundation		2-9、2-10
Party Building Leadership, Building Consensus		
Strengthening Internal Control, Strictly Adhering to Compliance	Anti-Commercial Bribery and Anti-Corruption, Anti-Unfair Competition	205-1、205-2、205-3、206-1
Transparent Communication, Safeguarding Rights and Interests		
Digital-Intelligent Integration, Enhancing Efficiency		
<b>Illuminating a New Chapter, Driving Industrial Progress</b>		
Innovation Leadership, Driving Development	Innovation Drivers, Ethics of Science and Technology(N/A to Core Business)	
Striving for Excellence, Strictly Controlling Quality	Product and Service Safety and Quality	2-6
Reliable Service, Optimizing Experience	Product and Service Safety and Quality	
Data Security and Privacy Protection	Data Security and Customer Privacy Protection	418-1
Industrial Chain Leadership and Synergy Enhancement	Supply Chain Security, Equal Treatment of Small and Medium-Sized Enterprises	308-1
<b>Illuminating Nature, Practicing Green Development</b>		
Environmental Management, Standardized Procedures	Environmental compliance management	
Pollution Prevention and Emission Control	Pollutant Discharge, Waste Disposal	306
Climate Governance, Anchoring Dual Carbon Goals	Addressing Climate Change	305-1,305-2
Energy Management, Efficient Utilization	Energy Utilization, Water Resource Utilization, Circular Economy	301-2,303-1,303-2
Harmonious Coexistence, Protecting Ecology	Ecosystem and Biodiversity Protection	101-2
<b>Illuminating Hearts, Building a Harmonious Ecosystem Together</b>		
Compliant Employment, Caring for Employees	Employees	2-7、201-3、401-1、401-2
Safety Production, Health Protection		403
Systematic Talent Cultivation, Empowering Growth		
Industrial Synergy, Co-creating Value		
Fulfilling Responsibilities, Contributing to Society	Rural Revitalization, Social Contributions	203-1

# Reader Feedback Form

Thank you very much for your interest in and for reading the 2025 Environmental, Social and Governance (ESG) Report of Wuhan YIFI Laser Co., Ltd. If you have any questions about this report, or have valuable opinions or suggestions regarding the Company's sustainable development practices, please feel free to contact us so that we can continuously make improvements.

You are a/an:

- Shareholder/Investor    Creditor    Employee  
 Partner/Industry Association    Customer    Supplier/Contractor  
 Media/Public    Government/Regulatory Authority    Other (Please specify: \_\_\_\_\_)

单项选择问题:

1. Do you find the wording, design, and layout of this report easy to understand and read?  
 Yes    Fair    No
2. Do you believe this report objectively and fairly reflects the Company's practices and performance in the environmental dimension?  
 Yes    Fair    No
3. Do you believe this report objectively and fairly reflects the Company's practices and performance in the social dimension?  
 Yes    Fair    No
4. Do you believe this report objectively and fairly reflects the Company's practices and performance in the corporate governance dimension?  
 Yes    Fair    No

5. Do you consider the framework and layout of this report convenient for locating content of interest to you?

- Yes    Fair    No

Open-Ended Questions:

1. What further information would you like to know about the Company's sustainable development practices and performance?  
\_\_\_\_\_
2. What comments or suggestions do you have on the 2025 Environmental, Social and Governance (ESG) Report of Wuhan YIFI Laser Corp., Ltd.?  
\_\_\_\_\_
3. What opinions or suggestions do you have regarding the Company's Environmental, Social and Governance (ESG) management work?  
\_\_\_\_\_

Contact Us:

Address: \_\_\_\_\_

Tel: \_\_\_\_\_

Email: \_\_\_\_\_

Fax: \_\_\_\_\_

# Independent Assurance and Statement of Opinion

InFaith Consulting (here in after referred to as "InFaith"), as entrusted by Wuhan YIFI Laser Corp., Ltd. (here in after referred to as "YIFI Laser"), has conducted independent limited assurance of the environmental, social and governance information and data disclosed in *YIFI Laser 2025 Environmental, Social and Governance (ESG) Report* (here in after referred to as "the Report"), and disclosed the assurance result and conclusion to readers of the Report in the form of independent assurance and statement of opinion.

## Independence and Capability

1. All the assurance team members of InFaith have no business relationship with YIFI Laser that leads to conflicts of interest. The team of InFaith has performed this assurance work independently.
2. The assurance team of InFaith consists of experienced professionals in the industry. Relevant persons have received professional training on the GRI Standards issued by the Global Reporting Initiative, AA1000AS v3, ISO 14001, ISO 26000, SA 8000, EcoVadis global supply chain rating and other sustainability-related standards and have adequate understanding and practical experience in relevant international principles, evaluation systems and assurance standards.

## Assurance Statement

1. YIFI Laser management shall be fully held accountable for the preparation and content of the Report. It is the responsibility of InFaith to conduct an assurance based on the scope as described herein, and to provide professional assurance opinions to the Report readers and stakeholders.
2. Based on the assurance scope limits, InFaith shall, in accordance with AA1000AS v3, conduct independent limited assurance and guarantee conclusion for the matters within the scope defined in the Report. In addition to providing independent assurance and making other statements of opinion on the facts of assurance under the conclusion, InFaith will not assume any legal or other liabilities for any inquiries for any other purposes, or for any other persons who read this Independent Assurance and Statement of Opinion.
3. If you have any questions about the contents contained herein or related matters, YIFI Laser will reply in a lump sum.
4. In the event of any conflict or inconsistency between the Chinese version and the English version of this Independent Assurance and Statement of Opinion, the Chinese version shall prevail.

## Assurance Standard

InFaith adopts AA1000AS v3 type-1 medium assurance level, which includes YIFI Laser's evaluation of the compliance situation and degree of the four AA1000AS v3 assurance principles, including inclusiveness, substantiality, responsiveness and impact.

## Assurance Scope

1. The assurance scope is limited to the information and data of YIFI Laser and its affiliated companies covered by the Report, excluding the data and information of YIFI Laser suppliers, contractors and other third parties.
2. InFaith adopts AA1000AS v3 type-1 medium assurance level to evaluate YIFI Laser's compliance nature and degree of the four assurance principles in AA1000AS v3.

## Assurance Process and Work

In order to gather evidence relevant to the formation of the conclusion, InFaith has done the following work:

1. Had interviews with the management team and employees of YIFI Laser, to understand the overall situation and relevant processes of the fulfillment of its environmental, social and governance responsibilities.
2. Verified key developments and policy implementation of the relevant YIFI Laser's organizations and reviewed supporting evidence for the claims made in the Report.
3. Through the interviews and the assurance of relevant documents, learned about YIFI Laser's main stakeholders and their expectations and demands, the specific communication channels between both parties, and how YIFI Laser responds to their expectations and demands.
4. Selected the relevant part of environmental, social and governance information in this Report, performed analytical assurance

procedures for such information, confirmed the overall performance situation, and evaluated and verified whether the contents of the Report are complied with.

5. Verified the process management of the principles of inclusiveness, substantiality, responsiveness and impact in the Report and its related AA1000 to confirm the appropriateness of this Statement.
6. Sampled inspection on supporting evidence of data reliability and quality of selected specific performance information.
7. Recalculated and verified the selected specific performance information.
8. Performed other procedures that we deemed necessary.

## Assurance Conclusions

1. According to the information provided by YIFI Laser and the sample test, there is no material misrepresentation in the Report.
2. For the principles of inclusiveness, substantiality, responsiveness and impact included in AA1000AS v3, the detailed assurance conclusions are as follows

<b>Inclusivity</b>	YIFI Laser has announced major topics that will have substantial influence and impact on the evaluation, decisionmaking, actions and performance of the organization and its stakeholders, and judged and improved the management and performance of the issues.
<b>Materiality</b>	YIFI Laser has announced significant topics that have a substantial impact and influence on the organization and its stakeholders' assessments, decision making, actions, and performance. The company has also conducted judgments and improvements on the management and performance of these topics.
<b>Responsiveness</b>	YIFI Laser has implemented relevant policies, and is able to respond to issues that concern the stakeholders in a timely manner.
<b>Impact</b>	YIFI Laser has the adequate ability to identify substantive issues. It has implemented balanced and effective evaluation and disclosure methods, and has established a systematic process for monitoring, measurement, evaluation and management impact, so as to achieve more efficient management of decision-making and results within the organization, and demonstrate the impact of the substantive issues in an impartial and objective manner.

3. Based on the procedures implemented and the evidence obtained by InFaith, we have found nothing that causes us to doubt the reliability and quality of the specific performance indicators selected in the Report.

## Limitation

The assurance process was carried out at the location within the scope of the Report.

Because there is no internationally recognized and commonly used standard for the evaluation and measurement of non-financial information, the application of different but acceptable information and measurement technologies may affect the comparability with other institutions.

If you have any advice for this Independent Assurance and Statement of Opinion, you may contact:

Tel: 021-20740303

Email: [esg@infaith.com.cn](mailto:esg@infaith.com.cn)

Address: 17F, Tower 1, Lujiazui Riverside Center, 257 Lane, Binjiang Avenue, Pudong New District, Shanghai

For and on behalf of InFaith Consulting

Signed:



AA1000  
Licensed Report  
000-698/V3-OD86X

Shanghai, April 2026