



Stock Code: 688601

2025

Environmental, Social and Governance (ESG) Report

Wuxi ETEK Microelectronics Co., Ltd.



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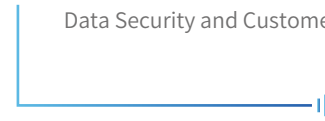
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// About This Report

This Report is the third Environmental, Social and Corporate Governance ("ESG") report released by Wuxi ETEK Microelectronics Co., Ltd., which provides a detailed disclosure of the ESG performance of the Company and its subsidiaries during their operations in 2025. The publication of this Report aims to engage in effective communication with all stakeholders in a transparent and open manner, systematically responding to stakeholders' expectations and requirements.

Basis of Preparation

This Report complies with the Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies - Sustainability Report (Trial) issued by the Shanghai Stock Exchange, and makes reference to the GRI Standards published by the Global Reporting Initiative (GRI), Climate-related Disclosures Standards (IFRS S2), the Sustainability Accounting Standards Board (SASB) Standards, the United Nations Sustainable Development Goals (UNSDGs) and the China Corporate Sustainability Reporting Guide (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences.

Reporting Period

Unless otherwise stated, this Report covers the Reporting Period from 1 January 2025 to 31 December 2025 (the "Reporting Period"). Any content that falls outside the above time scope will be specified in this Report.

Scope of The Report

The scope of this Report includes Wuxi ETEK Microelectronics Co., Ltd. and its holding companies. Unless otherwise specified, the scope of this Report is consistent with the Company's annual report.

Appellations in This Report

For the sake of clarity and readability, Wuxi ETEK Microelectronics Co., Ltd. is referred to as the "Company", "we/our/us" or "ETEK" in this Report.

Data Description

The qualitative and quantitative information used in this Report was derived from original data from the Company's actual operations, annual financial data, internal relevant statistical statements, etc. Specifically, the financial data cited in this Report comes from the financial statements in the 2025 Annual Report, which have been independently audited by an accounting firm and received an unqualified opinion. Unless otherwise stated, all currency amounts in this Report are in RMB.

Reliability Assurance

In line with the principles of accuracy, comparability, substance and verifiability, this Report objectively, truthfully and completely discloses information without any false records, misleading statements, or significant omissions. This Report has been reviewed and approved by the Board of Directors, which is responsible for the authenticity, accuracy and completeness of the content.

Access to the Report

This Report is published in both simplified Chinese and English. In case of any discrepancy between the two versions, the simplified Chinese version shall prevail. You can access and download this Report from the official website of the Company at <https://www.etek.com.cn/> and that of the Shanghai Stock Exchange at <http://www.sse.com.cn/>.

Abbreviations in This Report	Full Company Name	Entity Attribute
ETEK, the company, the Company, we, us	Wuxi ETEK Microelectronics Co., Ltd. (including subsidiaries within the scope of consolidation)	Parent company and consolidated entities
MST	Wuxi Milestone Semiconductor Inc.	Material subsidiary
Semiconductor	Wuxi Semiconductor Technology Co., Ltd.	Material subsidiary

Chairman's Message



Dear shareholders, partners and friends from all sectors of society,

As time moves forward and a new chapter unfolds, the global semiconductor industry is currently entering a critical phase of restructuring and upgrading. The wave of domestic substitution is advancing in depth, and new opportunities and new tracks for industrial development are emerging at an accelerated pace. In 2025, ETEK worked in unity with all partners, pooling our efforts and striving forward. We remained steadfast in our core values of "customer-centricity, integrity, professionalism, collaboration and mutual benefit." Leveraging the dedicated efforts of all employees, the strong support of our partners and the attentive care from all sectors of society, we achieved steady breakthroughs and abundant results in technological innovation, market expansion, ESG practices and social responsibility, thereby laying a solid foundation for the Company's high-quality and sustainable development.

In 2025, ETEK took cultivation of new quality productive forces as its core strategic direction, deepened its focus on the core track of analogue integrated circuits, adhered to upholding fundamental principles while innovating and pursuing diversified expansion, and continued to open up new horizons while consolidating its core strengths. We firmly leveraged our technological and market advantages in the consumer electronics sector, deepened strategic synergy with leading customers, and at the same time accelerated strategic penetration into high-end, high-value-added scenarios such as industrial electronics, automotive electronics and healthcare, established in-depth cooperation with mainstream automotive manufacturers, and successfully built a development landscape centred on consumer electronics with a diversified market layout. With cutting-edge technology as our foundation and innovative products as our vehicle, we continued to create core value for customers worldwide, leveraging the power of chips to empower the digital and intelligent transformation of thousands of industries.

Uphold integrity and embrace innovation to strengthen the foundations of governance. Sound corporate governance is the fundamental safeguard for an enterprise to operate steadily and achieve long-term success, and is also the core support for an enterprise to respond to industrial transformation and seize development opportunities. In 2025, we continued to improve the three-tier governance system, benchmarking against high-standard regulatory requirements both internationally and domestically, optimising governance mechanisms, and advancing the deepening and effective implementation of diversity of the Board of Directors, thereby empowering more scientific decision-making through diverse perspectives. We have always adhered to the philosophy of transparent operations, improved our information disclosure and investor relations management system and won market trust through open and candid communication; At the same time, we consolidated the bottom line of compliance management, improved a whole-process risk prevention and control system, and continuously strengthened institutional development in areas such as anti-commercial bribery and anti-unfair competition, thereby safeguarding the Company's high-quality development with robust governance capabilities.

Pursue technology-led development and strengthen innovation momentum. Innovation is the core lifeblood of semiconductor enterprises and, moreover, a key lever for cultivating new quality productive forces. In 2025, we continued to increase strategic expenses on R&D, expanded the scale of our core R&D team, and focused R&D innovation on the core needs of the industry and frontier technological directions. We tackled core technologies such as high-voltage, high-current and low-power power

management ICs, driving product upgrades towards higher integration, higher performance and higher reliability. We continued to strengthen our intellectual property portfolio and accelerated the translation and implementation of the transformation of technology achievements. Multiple innovative products were successfully launched throughout the year and were widely applied across diverse fields such as consumer electronics, industrial control and automotive electronics. Our subsidiaries also achieved breakthroughs in overseas markets for core technologies and products, demonstrating our strong capabilities to commercialise technology and competitiveness in international markets. We have always regarded technological innovation as our core engine, and used high-quality innovative achievements to build the Company's core competitive barriers.

Promote green and low-carbon practices and fulfil ecological responsibilities. As a high-tech enterprise, ETEK has consistently integrated the philosophy of green development into our corporate strategy and the entire process of development. Through innovation in chip technology, we supported the achievement of the "Dual Carbon" goals and fulfilled our ecological responsibilities. In 2025, we deepened our research, development and application of clean technology. With chip products featuring high energy efficiency, low power consumption and high integration, we supported downstream industries in saving energy and reducing consumption, and in using resources efficiently. From the product end, we promoted the green and low-carbon transformation of the industrial chain. At the corporate operations level, we have established a systematic energy and resource management system and promoted practices such as green office initiatives and the circular economy, reducing our environmental footprint at source. At the same time, we incorporated climate change response into our corporate development considerations, identified green opportunities in industrial transformation, integrated low-carbon requirements into supply chain management, and promoted upstream and downstream collaboration to build an industry ecosystem for sustainable development.

Adhere to the people-centred principle and build a win-win ecosystem together. Talent is the primary resource for corporate development, and symbiosis and win-win are the core essence of corporate sustainable development. In 2025, we continued to improve our system for safeguarding employees' rights and interests, upheld the employment philosophy of equity, inclusion and diversity, enhanced the employee career development and training system, and built a platform for employees' growth and development, enabling employees and the enterprise to grow and develop together, and continuously enhancing employees' sense of belonging and happiness. At the social responsibility level, we deepened university-enterprise collaboration and established a platform for industry-academia-research collaborative innovation and talent development, cultivating high-quality professional talent for the industry. We actively participated in the rural revitalisation initiative, focusing on targeted efforts in areas such as empowering rural education. Through practical actions, we gave back to society and fulfilled our corporate social responsibility.

Standing at a new point of development, and facing the new opportunities and challenges in the semiconductor industry, ETEK will continue to uphold its core philosophy of "Quality First, Service as the Foundation", with the vision—"to become a globally leading and trusted innovative chip design company". We will continue to deepen our efforts in core technology R&D, drive product and market upgrades through high-quality innovation, continuously strengthen our ESG management capabilities, and embed the concept of sustainable development throughout every stage of strategic planning, product R&D and production and operations. In the future, we will always work hand in hand with all stakeholders, joining forces for mutual success. With higher-quality products, more standardised governance, and a more proactive sense of responsibility, we will contribute to the independent innovation and development of China's semiconductor industry, and create greater value for industry progress and social development!

Chairman of ETEK

Minmin YUAN

// About ETEK

ETEK is a high-tech enterprise focusing on the research, development and sales of products such as power management, signal chain, drivers and discrete devices. Our products are widely used in multiple fields, including consumer electronics, automotive, communications and industry. The Company has an established R&D team of 331 people, has put in place a standardised and digitised R&D system, and has obtained a number of core invention patents. We have accumulated extensive design experience and technical reserves, and, leveraging efficient R&D processes, abundant core technologies and modular IP, have built strong R&D capabilities and system-level solution capabilities.

ETEK		
	Year of Establishment	2002
	Stock Code	688601
	Listing	Shanghai Stock Exchange Science and Technology Innovation Board ("SSE STAR Market")
	Headquarters	Wuxi, Jiangsu, China

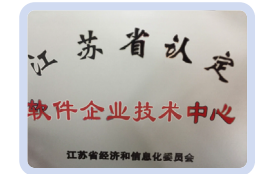
Qualifications



National-level Specialised, Refined, Featured and Innovative "Little Giant" Enterprise



National-level Specialised, Refined, Featured and Innovative "Little Giant" Enterprise - Semiconductor



Jiangsu Province-Certified Software Enterprise Technology Centre



High-tech Enterprise



High-Tech Enterprise - Semiconductor



High-tech Enterprise - MST



Specialised, Refined, Featured and Innovative Small and Medium-sized Enterprise in Jiangsu Province



Specialised, Refined, Featured and Innovative SME in Jiangsu Province - Semiconductor

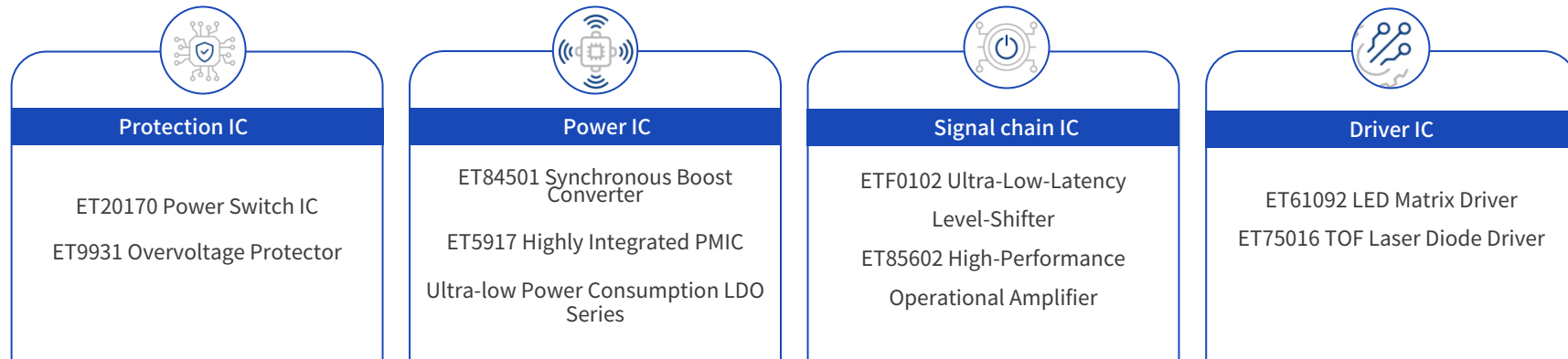


Specialised, Refined, Featured and Innovative Small and Medium-sized Enterprise in Jiangsu Province - MST

★ Core Business

ETEK is deeply engaged in the field of analogue integrated circuits, guided by market demand and the technological frontier. Our business covers multiple areas, including consumer electronics, industry and automotive electronics, with a core focus on the R&D and sales of products such as power management, signal chains, drivers and discrete devices, as well as the provision of system solutions.

The Company's main product categories include power IC, signal chain IC, protection IC, driver IC and automotive IC, among others. Leveraging its solid R&D capabilities, the Company is rooted in Wuxi and serves customers worldwide. Our customers include well-known brands such as Samsung, Xiaomi, Transsion, Midea, Haier and BYD, and we have established long-term, stable partnerships with globally leading wafer fabrication, as well as packaging and testing enterprises.



☆ Corporate Culture

To fulfil the Company's mission and vision, ETEK has always upheld its core values, driven by continuous independent innovation, supported by a forward-looking industrial layout, and connected through diversified collaboration. We have continuously deepened our efforts in R&D and steadily expanded our product portfolio, making technologies more reliable, products of higher quality and value more enduring.



Mission

To provide creative chip solutions for an intelligent world and create value for customers, partners and society!



Vision

To become a globally leading and trusted innovative chip design company!



Values



☆ Development History

2010

January: ETEK obtained the ISO9001/2008 and ISO14001/2004 certificates

May: ETEK passed Samsung Electronics' QPA and QSAECO audits, entering the Samsung supply chain

2017

May: ETEK passed Samsung Electronics' QPA and QSAECO audits, entering the Samsung supply chain

2018

July: The Chairman was awarded the title of "Jiangsu Province Science and Technology Entrepreneur"

2023

March: ETEK completed the ISO26262 Road Vehicles Functional Safety Management System Certification

October: The Chairman received the title of "National Science and Technology Entrepreneurship Leading Talent"

2024

April: ETEK obtained TÜV Rheinland ISO26262 Functional Safety ASIL D certification

June: ETEK established an RMB100,000,000 industrial fund, "Liding Fund" (99% equity interest held)

December: ETEK increased capital in Liding Fund by RMB50,000,000, raising the equity interest to 99.33%

2025

May: Semiconductor, the Group-controlled subsidiary, established WS Thong Kong Limited (100% shareholding), a new subsidiary in Hong Kong

June: Semiconductor, the Group-controlled subsidiary, established WSTENERGY(T) LIMITED (80% shareholding), a new subsidiary in Tanzania

Technology foundation

Market expansion

Industry advancement

New journey

2002

May: Wuxi ETEK Microelectronics Co., Ltd. was established

2005

August: ETEK obtained the qualification recognition of "Integrated Circuit Design Enterprise" granted by the Ministry of Information Industry

December: ETEK was awarded the title of "High-Tech Enterprise" in Jiangsu Province

2006

February: ETEK received the certificate of "Top 10 Integrated Circuit Design Enterprise" in Wuxi City

2008

December: After a shareholding reform, ETEK was established with a share capital of RMB48.00 million

2009

October: ETEK was recognised as the "Jiangsu Engineering Research Centre for Digital Power Amplification IC"

2019

December: The Chairman was awarded the title of "Outstanding Entrepreneur in Science and Technology Innovation" by Wuxi City

2021

June: ETEK was successfully listed on the SSE STAR Market

2022

July: ETEK was recognised as a national-level specialised, refined, featured and innovative "Little Giant" enterprise

☆ Development Strategy and Presence

In 2025, ETEK took cultivation of new quality productive forces as its core strategic direction, focusing on three key dimensions: deepening technological expertise, diversifying business expansion and fostering ecosystem collaboration. By driving efforts in both business and geographic expansion, we fully advanced strategy implementation and business upgrading.

Business portfolio: Deepening engagement in core tracks, expanding into diversified scenarios

Core Sectors

- Deepening cooperation with leading customers: We continue to consolidate our leading position in consumer electronics such as mobile phones and wearable devices, and deepen strategic cooperation with leading customers such as Samsung and Xiaomi.
- Advancing core technologies: We focus on technology iteration for core product lines such as power management, signal chain, drivers and discrete devices.
- Strengthening product competitiveness: We steadily advance the integrated upgrade of monolithic power management integrated circuits (PMIC), and strengthen the market competitiveness of our core products.

High-end Scenarios

- Building a vehicle-grade cooperation ecosystem: We tap into high-end, high-value-added fields such as industrial electronics, communications base stations, automotive electronics and healthcare, establish a complete automotive electronics certification system and a standardised vehicle-grade product reliability testing centre, and achieve close cooperation with mainstream car manufacturers such as BYD.
- Seizing policy and technology opportunities: We leverage policy- and technology-driven sectors such as AI terminals and electronic detonators to expand incremental markets. The electronic detonators and wireless initiation system of our subsidiary Semiconductor successfully entered the Australian market, sustaining breakthroughs in overseas business.

Product Matrix

- Expanding into new product categories: We expand into new product categories such as high-precision Hall chips, and continue to improve the full-chain product portfolio encompassing protection, power management, signal chain and driver ICs. Through technological innovation and product iteration, we meet the personalised needs of customers across different industries.

Geographical footprint: Rooted in our local bases, reaching global markets

With its headquarters in Wuxi, Jiangsu at the core, the Company coordinated and integrated R&D, management and operational resources, leveraged the advantages of the Wuxi National Integrated Circuit Industrialisation Base, and deepened collaborative development across the industrial chain. We established R&D centres and sales branches in Shanghai, Shenzhen and other locations, precisely aligning with key electronics industry clusters such as the Yangtze River Delta and the Pearl River Delta, and creating a regional development landscape driven by the dual wheels of R&D and the market.

The Company proactively advanced its global footprint by establishing a subsidiary in South Korea, continuously tracking frontier technology trends and enhancing our service capabilities for international customers. During the year, the Group-controlled subsidiaries established subsidiaries in Hong Kong and Tanzania, improving our overseas business network. Leveraging platforms such as international exhibitions and technical exchanges, we continuously deepened global cooperation, steadily enhanced brand influence and market share, and promoted our products and technologies towards the global market.



★ Annual Achievements and Company Honours



Key Performance Indicators for the Year



Economic Performance

○ Operating revenue

76,847.49
RMB'0,000

○ Net profit attributable to the listed company

3,708.19
RMB'0,000

○ Basic earnings per share

0.28
RMB

○ Total assets

146,679.38
RMB'0,000



Environmental Performance

○ Total GHG emissions

1,151.91
Tonnes of CO2 equivalent (tCO2e)

○ GHG emission intensity within the operational boundary

1.50
tCO2e/RMB million

○ Total electricity consumption

182.13
10,000 kWh

○ Total energy consumption

266.77
tce



Social Performance

○ R&D expenses

19,432.26
RMB'0,000

○ Proportion of R&D personnel

57.67 %

○ Total number of intellectual property rights

196 /

○ Social insurance contribution coverage rate of employees in the post

100 %

○ Total duration of employee training

8,500 Hours



Governance Performance

○ Number of the Board of Directors' meetings held

7 Times

○ Documents disclosed in compliance

45

○ Investor engagement events held

3

○ Investor research receptions

6 Times

○ Major rule or law violations

0 Case



Company Honours



Entrepreneurial Leader of the National Science and Technology Talent Program



Private Technology Enterprise of Jiangsu Province



WIND ESG A Rating



Jiangsu Engineering Research Centre for Digital Power Amplification IC



Technologically Advanced Service Enterprise of Jiangsu Province



Award for Most Promising Development Potential



Strong Support Award



Best Employer of the Year

// Sustainability Management

☆ ESG Management Structure

The Company has established a top-down, cross-departmental, multi-layered ESG management structure to ensure the efficiency and systematic nature of ESG management. The Company has formulated the Working Rules for the Board of Directors Strategy and ESG Committee, clarifying a three-tier management system comprising the Board of Directors, Strategy and ESG Committee and Strategy and ESG Working Group, to ensure the effective implementation and continuous optimisation of the ESG strategy. By establishing and improving ESG management systems, optimising information disclosure mechanisms, and strengthening risk management frameworks, the Company continually enhances the scientific and standardised nature of its ESG management.



-
- Supervise ESG-related matters and listen to reports;
 - Review and monitor the formulation of ESG and climate-related policies and targets.
 - Review and approve the Company's annual ESG work and disclosure information for the ESG report, etc.
-

-
- Identify and oversee ESG-related risks and opportunities that have a material impact on the Company's business;
 - Study and make recommendations on our ESG targets and strategic planning, review and submit our ESG work plan to the Board of Directors, and deliberate on other material matters related to ESG
-

-
- Implement the Company's ESG management system and processes;
 - Be responsible for tracking, collecting and organising annual ESG information, materials and progress to ensure the authenticity, accuracy and completeness;
-






ESG Training

In terms of internal capacity building, in 2025, the Company carried out internal ESG training. The training is closely aligned with the characteristics of the semiconductor industry and the Company's requirements for high-quality development. The content covered the latest ESG development trends, industry best practices, rating management standards and the Company's relevant improvement plans. Through a combination of topic-based training sessions and guidance from external experts, we strengthened ESG strategy and risk management and control capabilities for the management level, enhanced compliance management and green operations awareness for core positions, and promoted ESG concepts and codes of conduct among employees. This drove the deep integration of ESG requirements into the entire business process, including R&D, production, supply chain and governance, comprehensively enhancing our sustainable development management standards and all employees' ESG performance capabilities.



Due Diligence and Communications with Stakeholders

The Company has established diversified and regular communication channels to systematically identify and respond to the needs and expectations of its various stakeholders. Feedback collected through these communications serves as an important basis for optimising ESG management practices and improving ESG performance. In light of our actual business operations and the outcomes of communication with major stakeholders, we screened and compiled a list of key ESG topics, and established and improved corresponding communication and feedback mechanisms to ensure timely and effective information transmission.

Stakeholder	Key Topics of Concern	Communication Methods/Channels
 Shareholders and investors	<ul style="list-style-type: none"> • Product R&D and innovation • Product quality and safety • Corporate governance • Risk management • Anti-commercial bribery and 	<ul style="list-style-type: none"> • Shareholders' Meeting • Results briefings • Exchange interaction • Investor exchanges • Information disclosure platforms
 Customers	<ul style="list-style-type: none"> • Safety and quality of products and services • Data security and privacy protection • Supply chain security • Business ethics 	<ul style="list-style-type: none"> • Customer satisfaction surveys • After-sales services and complaints • Customer exchanges • Product exhibitions and sales • Whistleblowing and oversight channels
 Employees	<ul style="list-style-type: none"> • Protection of employee rights and interests • Employee training and development • Occupational health and safety 	<ul style="list-style-type: none"> • Internal management meetings • Communication meetings at all levels
 Suppliers	<ul style="list-style-type: none"> • Innovation-driven • Supply chain security • Promote industry development 	<ul style="list-style-type: none"> • Open and transparent procurement • Industry seminars and exchanges • Supplier conferences • Whistleblowing and oversight channels
 Government and regulatory authorities	<ul style="list-style-type: none"> • Risk and compliance management • Anti-commercial bribery and anti-corruption • Climate change tackling • Tax payment according to the law 	<ul style="list-style-type: none"> • Inspection by regulatory authorities • Government research activities • Information disclosure platforms
 Community and the public	<ul style="list-style-type: none"> • Pollutant and waste management • Contributions to the society and rural revitalisation • Climate change tackling 	<ul style="list-style-type: none"> • Environmental information disclosure • Active participation in volunteer activities • Community research • WeChat official account

☆ Management of Material Topics

The Company, in accordance with the assessment methodologies of domestic and overseas disclosure standards, including *Guidelines No. 4 of Shanghai Stock Exchange for Self-regulation of Listed Companies - Preparation of Sustainability Reports*, carried out the annual material topic survey work based on the process encompassing topic identification, communications with stakeholders and materiality assessment. We shortlisted a total of 25 material topics and, taking into account their degree of impact on business operations and stakeholders, prioritised them accordingly, ultimately forming this year's materiality matrix. The identified material topics have been comprehensively addressed and disclosed in this Report.

Step01

Identify the background

- Business overview: We identify the Company's core business, strategic plans, major products and their distribution and business relations
- Analyse the external environment: We identify relevant laws, regulatory policies and industry standards
- Identify stakeholders: We analyse the impacts of the Company's business on stakeholders, as well as the impacts, risks and opportunities faced by the Company

Step02

Create a list of topics

- Policies and standards: We take the 21 topics set out in the Guidelines issued by the Shanghai Stock Exchange as the basis for the list of topics, and refer to international standards related to sustainability
- Peer benchmarking analysis: Refer to ESG topic settings within the same industry

Step03

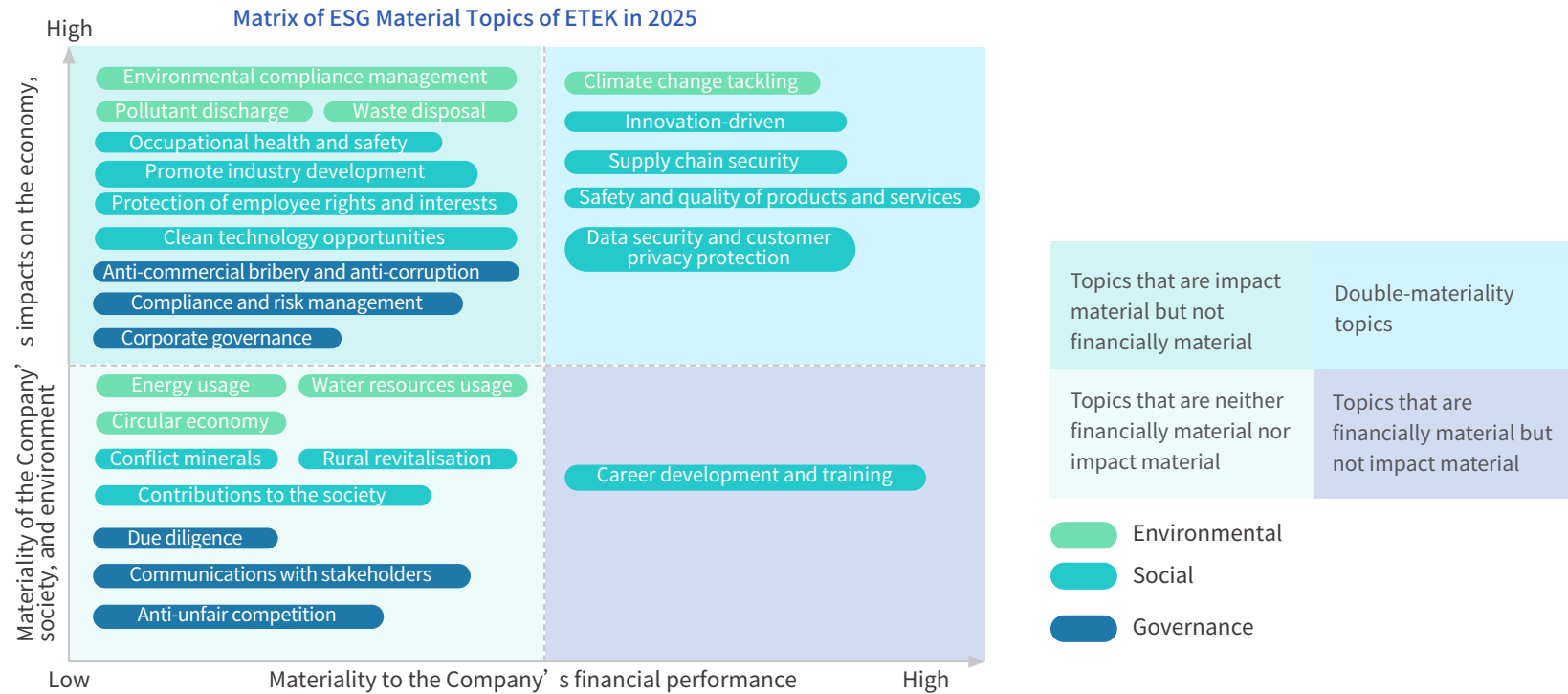
Assess and determine the materiality of topics

- Stakeholder engagement: Through multiple channels, we conduct questionnaire surveys among different stakeholders to assess material topics
- Expert analysis: We determine the final ESG topics based on the questionnaire survey results and the analyses by internal and external experts

Step04

Disclose information on the materiality of topics

- Based on the topic assessment results, we develop a materiality matrix. For double materiality topics and topics that are financially material but not impact material, we make key disclosures in accordance with the "Four Elements" of the Guidelines issued by the Shanghai Stock Exchange.



- #### Environmental
- Climate change tackling
 - Environmental compliance management
 - Pollutant discharge
 - Waste disposal
 - Energy usage
 - Water resources usage
 - Circular economy

- #### Social
- Innovation-driven
 - Protection of employee rights and interests
 - Occupational health and safety
 - Career development and training
 - Contributions to the society
 - Rural revitalisation
 - Clean technology opportunities
 - Promote industry development
 - Supply chain security
 - Safety and quality of products and services
 - Data security and customer privacy protection
 - Conflict minerals

- #### Governance
- Due diligence
 - Communications with stakeholders
 - Anti-commercial bribery and anti-corruption
 - Anti-unfair competition
 - Corporate governance
 - Compliance and risk management

01

ETEK Principles Ensures Steady Progress and Long-term Success

ETEK has always placed corporate governance at the core position. A standardised and effective governance system is a key safeguard for the Company's steady development, and also a fundamental prerequisite for reducing risks at source. The Company strictly benchmarks against the legal and regulatory requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange regarding compliant operations, ensuring consistency between system development and standardised implementation. At the same time, we adhere to the highest standards of business ethics, continue to promote integrity in our operations, uphold the Company's positive image, and share the fruits of our growth with our shareholders.

ESG topics addressed:

Corporate Governance
Compliance and Risk Management
Anti-commercial Bribery and Anti-corruption
Anti-unfair Competition
Due Diligence
Communications with Stakeholders

UNSDGs



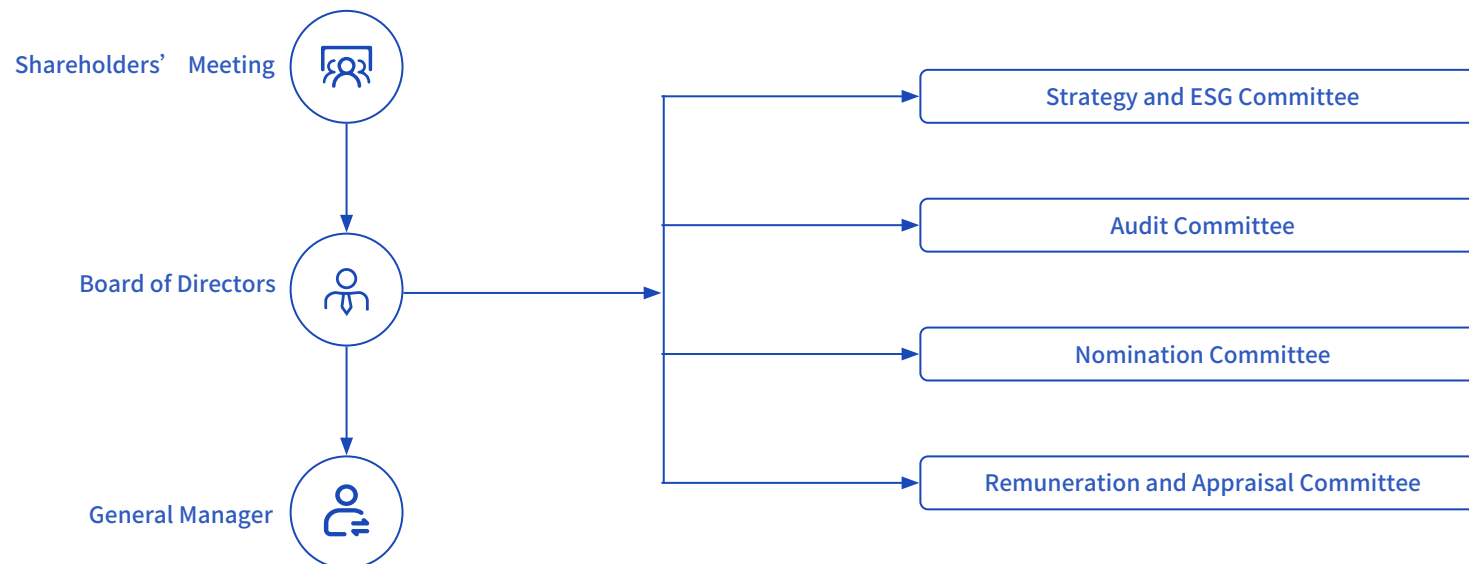
Corporate Governance

ETEK has always regarded corporate governance as the foundation of its sound development. By strengthening top-level design, the Company has established a scientific and standardised governance system, promoted the diversity of the Board of Directors, safeguarded investors' rights and interests, and comprehensively enhanced its governance standards.

Governance Structure

ETEK strictly complies with the requirements of laws, regulations, and normative documents such as *the Company Law of the People's Republic of China* and *Securities Law of the People's Republic of China*, and continuously improves its internal control and management systems. We have established a sound governance structure, uphold a diverse Board composition, strengthen the transparency of information disclosure, improve investor communication mechanisms, and continuously enhance our governance capabilities, providing a strong foundation for the Company's standardised operations and sustainable development.

The Company has established a series of systems and normative documents, including the *Articles of Association*, *Rules of Procedure for Board of Directors' Meetings*, and *Work Guidelines for Independent Directors*, clearly defining the operating standards for the Shareholders' Meeting, the Board of Directors, the General Manager, and specialised committees, clarifying the powers and responsibilities of the relevant bodies, and ensuring the efficient operation of the governance system.



Shareholders' Meeting

It is the Company's highest body. We strictly comply with the Company's rules and regulations, convening and holding shareholders' meetings on a regular basis in accordance with the law, safeguarding shareholders' right to know and right to participate.

Board of Directors

The Board of Directors is the decision-making body for the Company's operations and management, and is accountable to the Shareholders' Meeting. Four specialised committees have been established under the Board of Directors: the Strategy and ESG Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee, providing professional advice and recommendations on major matters and enhancing the professionalism and efficiency of deliberations and decision-making.

General Manager

The General Manager is responsible for the Company's day-to-day operations and management, implementing the strategies and plans formulated by the Board of Directors, and ensuring that our operations progress in an orderly and efficient manner.



2025

● Shareholders' meetings	2
● Board of Directors' meetings	7
● Attendance of members at the Board of Directors' meetings	100%
● Number of proposals approved at the above meetings	47



Committee meetings Convened in 2025

● Strategy and ESG Committee's meetings	2
● Number of Audit Committee's meetings	6
● Nomination Committee's meetings	1
● Remuneration and Appraisal Committee's meetings	1

Diversity of the Board of Directors

ETEK continues to promote the diversity of the Board of Directors in terms of gender, industry background, professional capabilities, and other aspects. Currently, the Board of Directors comprises nine directors, including three independent directors, accounting for 33.33%; two female directors, accounting for 22.22%. The members of the Board of Directors have composite professional experience in areas including chip design, corporate management, financing and investment management and law. In terms of professional knowledge, industry experience, and skills backgrounds, they present a diversified and complementary mix, together forming a decision-making body with a comprehensive perspective and professional depth, thereby effectively enhancing the level of corporate governance and governance effectiveness.

The Company's Board of Directors carries out regular appointments and re-elections in accordance with prescribed procedures. We are committed to striking a balance between member stability and structural optimisation, and, through an efficient meeting mechanism, ensuring that all directors conduct in-depth deliberation and decision-making on proposals, thereby safeguarding the compliance and rigour of the Company's major decisions. Independent directors strictly maintain their independence and perform their duties diligently and conscientiously, playing a critical supervisory and advisory role in improving corporate governance and protecting investors' rights and interests.

○ Structure of the Members of the Board of Directors

Member Structure		Unit	2025	
Composition of the Board of Directors	Number of members of the Board of Directors	/	9	
	Independent directors	/	3	
	By educational background	Master's degree and above	/	7
		Bachelor's degree	/	2
	By gender	Male directors	/	7
		Female directors	/	2
	By age	Aged 50 and above	/	5
		Aged under 50	/	4
Average tenure of members of the Board of Directors		Year	3	

Protection of Investors' Rights and Interests

The Company strictly complies with the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange* and the *Work Guidelines for the Investor Relations Management of Listed Companies*, as well as other relevant laws, regulations, and normative documents. We have formulated the *Management Policy for Investor Relations* and the *Management Policy for Information Disclosure*, and established an efficient and transparent mechanism for protecting investors' rights and interests, to ensure that all investors exercise their rights fairly and impartially, and to effectively safeguard the legitimate rights and interests of minority investors.

Investor communication

To meet the diverse needs of investors, the Company has established comprehensive, efficient, and diversified communication channels to listen to investors' views, promote mutual communication, and enhance investor confidence in the Company. The Company communicates and engages with investors through channels including the official website, new media platforms, the Shanghai Stock Exchange's E-interactive platform, the investor hotline, and the investor relations email address, using methods such as results briefings and on-site research visits. This helps investors keep abreast of the Company's developments and information in a timely manner and fosters sound investor relations. The Company proactively communicates its governance standards, business progress, and strategic value to investors, establishing a closed-loop management approach of disclosure, communication, and feedback, and continuously enhancing market recognition.



During the Reporting Period

- Investor calls answered: **118**
- Number of investor communication activities: **3**
- Total number of investor communications and interactions across all channels: More than **150**

Information disclosure

The Company fulfils its information disclosure obligations in accordance with the law, implements the principles of being truthful, accurate, complete, timely, and fair, continues to standardise and enhance the information disclosure process, improves the quality, breadth, and transparency of information disclosure, and fully safeguards investors' lawful rights and interests. The Company's information disclosure work is uniformly led and managed by the Board of Directors, with the Board Secretary responsible to the Board of Directors for organising and coordinating the Company's information disclosure affairs. The Company actively monitors media coverage and proactively verifies the accuracy of reported information.

Governance Structure for Information Disclosure



Board of Directors

Leading and managing information disclosure, with the Chairman being the primary responsible person for information disclosure.



Board Secretary

Organising and coordinating the Company's information disclosure affairs as the primary responsible person for information disclosure.



Securities Department

Assisting the Board Secretary in handling information disclosure matters as the daily operational department for information disclosure.



During the Reporting Period

- Periodic reports disclosed: **4**
- Interim reports disclosed: **41**

Compliance and Risk Management

Compliant and prudent operations are the principled bottom line and basic requirement for the sustainable development of ETEK's business. The Company adheres to a business philosophy of integrity and compliance, continuously improves risk management, enhances due diligence mechanisms, optimises internal controls, and strengthens business ethics management.

Compliance Management

ETEK has established and improved a robust compliance management system, and continuously enhanced its governance system development, covering key areas such as financial accounting, budget execution, procurement processes, tax treatment, and information disclosure. The Company adheres to the business philosophy of honest operation, fulfils its tax obligations in accordance with the law, and, through effective oversight by the Audit Committee, ensures that all business activities are conducted in a compliant and orderly manner.

Compliance system development

ETEK has established a comprehensive compliance management system and has formulated and continuously implemented a series of internal regulations, including *Articles of Association, Procurement Control Procedures, and Product Quality Control Procedures*, comprehensively covering the key aspects of corporate governance and operational management.

The Company attaches great importance to the development of a compliance governance system, deeply integrating the concepts of compliance and sustainable development into the management level's daily operations. In 2025, the Company conducted a series of topic-specific training sessions covering a range of key areas, including the Company's compliant operations, high-quality development, and employees' professional ethics, to ensure that management and employees developed a thorough understanding of compliance obligations and behavioural boundaries.

Case

Systematic development of compliance training programmes for directors and Senior Management

In 2025, we organised the Board of Directors, management level and personnel in key positions to participate in a range of specialised compliance and development training programmes. These included dedicated training on corporate compliance operations, market value management, and compliance performance of duties for directors, supervisors and senior management of the listed company, continuously enhancing the governance level's compliance awareness and professional capabilities. Through high-frequency, multi-dimensional systematic training, the compliance awareness and professional competence of management were effectively enhanced, providing a solid foundation for the continued improvement of the Company's compliance governance standards.



Senior Management Compliance Training

Audit compliance

To promote the regulated implementation of internal audit work, enhance audit quality, and safeguard the lawful rights and interests of shareholders, ETEK has formulated the *Internal Audit Policy in accordance with the Audit Law of the People's Republic of China, the Guidelines No. 1 of Shanghai Stock Exchange STAR Market for Self-regulation of Listed Companies - Standardised Operation*, and other laws, regulations, and other normative documents, so as to evaluate and oversee the effectiveness of the Company's internal control and risk management, the truthfulness and completeness of financial information, and the efficiency and effectiveness of operational activities.

The Company's Board of Directors has established an Audit Committee, which is responsible for guiding the establishment and effective operation of the internal control system, and for duties including oversight of financial statement disclosure and the internal control process. We also established an Audit Department to carry out inspection and oversight of the authenticity and completeness of financial information, and the establishment and implementation of the internal control policy. The Audit Department, as an internal audit body, is accountable to the Audit Committee and regularly reports its work to it.

During the Reporting Period, the Audit Department issued the *2025 Internal Control Evaluation Report*. The Company had no material defects in internal control over financial reporting. In addition to internal audit management, the Company also engaged an external independent third-party auditor to issue an external assurance report on the financial and internal controls for the Reporting Period. For the 2025 annual report, an independent auditor with securities qualifications issued an unqualified internal control audit report and a standard unqualified financial audit report. These were approved and reported by the Board of Directors on April 10, 2026.

Internal control and compliance

In order to establish and improve, and effectively implement, the internal control policy and enhance the Company's risk management capability, we have formulated the *Internal Control Policy* to strengthen internal control management, ensure the effective operation of internal control, and promote standardised operations. Meanwhile, the Company continued to improve its internal organisational structure in line with the requirements of modern corporate management, and established a relatively scientific decision-making system, execution system, and oversight system.



Organizational Structure for Internal Control



- The Board of Directors is responsible for the formulation, implementation, and improvement of the Company's internal control policy, and regularly conducts inspections and effectiveness assessments of the Company's internal control. The Board of Directors has established the Audit Committee, which guides the construction and effective operation of the Company's internal control system according to its responsibilities.



- The Board of Supervisors is responsible for supervising the implementation of the Company's internal control policy. In case of any identified internal control deficiencies, the Board of Supervisors may order corrective actions and report to the Shareholders' Meeting on the implementation of the internal control policy.



- The Management is responsible for establishing and improving the internal control policy within the operational processes, promoting the comprehensive implementation of the internal control policy, and checking how each department and unit formulates and implements specific internal control policies.

Through multiple control measures, including segregation of incompatible duties, authorisation and approval, and financial system controls, we strengthen the implementation and effective execution of internal controls. The Audit Department carries out annual routine internal control inspections and irregular special inspections, promptly identifies deficiencies, and promotes rectification. The Company incorporates internal control and compliance implementation into the core performance appraisal indicators, takes strict action against responsible persons who violate internal control requirements, and fosters internal control and compliance awareness among all employees.

During the Reporting Period

- **no** material internal control deficiencies or non-compliance incidents occurred.

Tax compliance

The Company's tax management is centrally co-ordinated and overseen by the Finance Department, covering the establishment of a tax management system, identification and assessment of tax risks, maintenance of the tax credit rating, organisation of tax training, management of tax materials and records, development of the tax team, routine tax payment approvals, and participation in investment and operational decision-making, among other related work.

In terms of tax control, the Finance Department carries out front-end risk management through routine financial inspections, special tax audits, and daily filing review, among other measures, and maintains communication and alignment with the tax authorities to ensure that filings are completed in a timely manner and in full in accordance with regulations and that taxes are paid in compliance with the law.

During the Reporting Period

- **our** tax assessment rating was Grade **A**, and we cumulatively paid RMB**10.14** million in taxes.

Risk Management

ETEK attaches great importance to the critical role of risk management in safeguarding the Company's operations and development. To establish response measures for risks and opportunities, clarify risk response measures and risk avoidance, and enhance our risk resilience, we have formulated *Response and Control Procedures for Risks and Opportunities* as a guiding document for risk management. This sets out the classification of risks and opportunities, assessment processes, response mechanisms, and oversight responsibilities, ensuring that risk and opportunity management operates in a standardised manner and safeguards the Company's sustainable development.

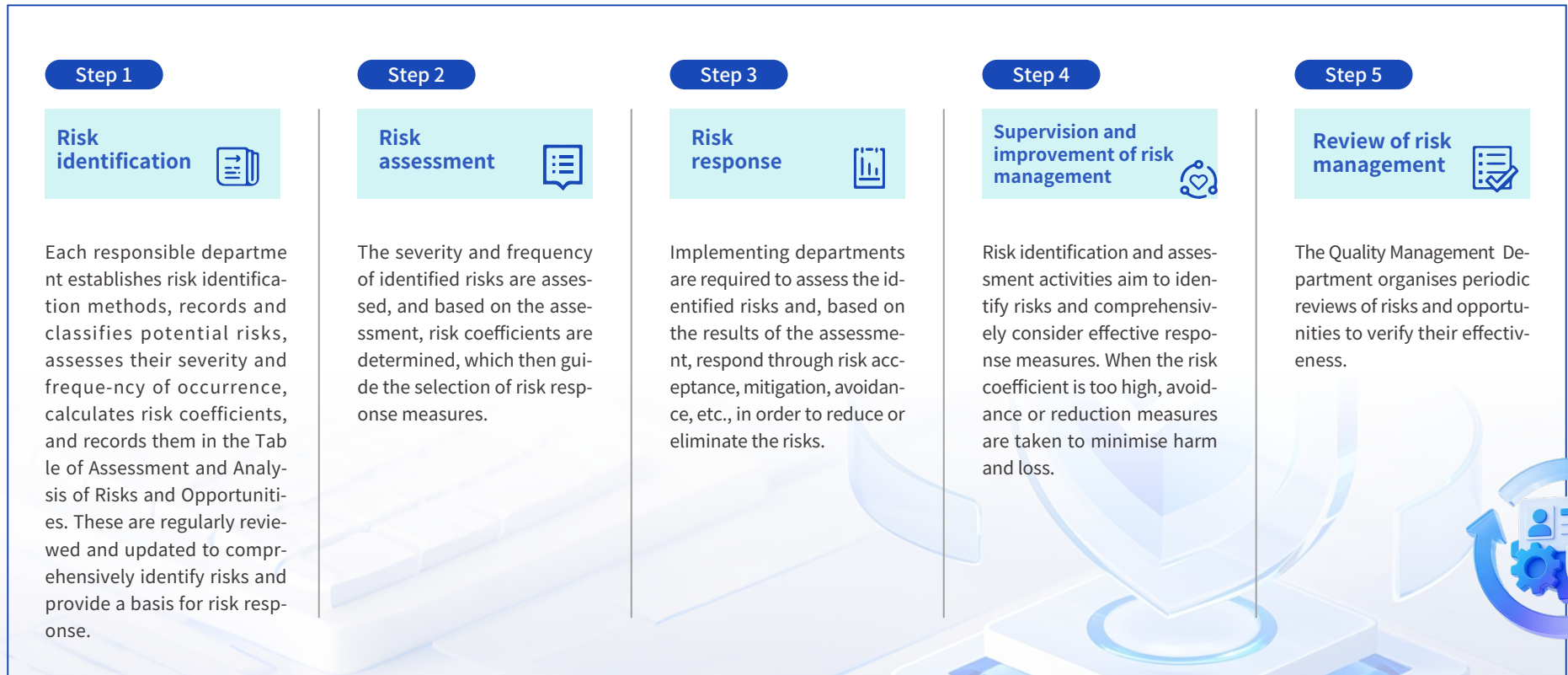
The Company has established a risk and opportunity assessment management mechanism, forming a governance structure led by the management representatives, organised by the risk and opportunity assessment groups, and implemented by the Quality Management Department and other departments. This structure conducts continuous monitoring of internal and external risks and opportunities relating to macro policies, operations, the market, and other areas, promptly identifies and assesses the various risks and opportunities we face, and adopts necessary control measures.

Risk and Opportunity Management System

Management representatives	<ul style="list-style-type: none"> • Determining acceptable risk standards and policies, and regularly reviewing and updating risk and opportunity management
Risk and opportunity assessment groups	<ul style="list-style-type: none"> • Organising and implementing risk and opportunity analysis and assessment • Developing risk and opportunity response measures and implementing them • Organising the implementation of risk response measures and verifying their effectiveness
Quality Management Department	<ul style="list-style-type: none"> • Establishing response and control procedures for risks and opportunities and maintaining them • Following up on the completion and effectiveness of various measures, and preparing the Report on Assessment and Analysis of Risks and Opportunities
Departments	<ul style="list-style-type: none"> • Assessing the risks and opportunities of quality and environment in the department, developing corresponding measures to avoid or reduce risks, and implementing them item by item

At present, by assessing potential risks, the Company has identified risks across five aspects: laws and regulations, employee safety, property loss, work stoppages and production shutdowns, and corporate image, and has formulated targeted improvement measures. To further address potential risks, the Company has established a comprehensive risk management process, which helps us identify specific risks affecting the achievement of our objectives, achieve robust governance, and improve the risk management system.

||| Risk Management Procedures |||



Business Ethics

ETEK attaches great importance to business ethics, adheres to the principles of integrity and compliance, and integrates them into the entire process of corporate operations. With a zero-tolerance attitude, we prevent commercial bribery and unfair competition, safeguarding a fair and just market order and our corporate reputation.

Anti-commercial Bribery and Anti-corruption

ETEK fully recognises the adverse impact of illegal acts such as commercial bribery on enterprises and strictly complies with laws and regulations, including the *Anti-Money Laundering Law of the People's Republic of China and the Interim Regulations on the Prohibition of Commercial Bribery*. We have established the Management System for Anti-Commercial Bribery. For personnel in key positions, the Company requires them to implement a system of integrity and probity commitments to ensure compliance with professional ethics, and to *sign the Anti-Commercial Bribery Commitment Letter*, thereby strengthening the prevention of and oversight over commercial bribery.

The Company's General Manager's Office is responsible for overall coordination and implementation of management work related to anti-commercial bribery and anti-corruption.

ETEK actively promotes the development of a culture of integrity and integrates the concept of integrity into the Company's day-to-day operations and management. The Company extends its anti-bribery and anti-corruption efforts across the entire supply chain to ensure that all business activities strictly comply with relevant laws and regulations. Through measures such as displaying promotional posters in office premises, and requiring employees to sign the Integrity and Compliance Commitment Letter, we strengthened employees' anti-corruption awareness. The Company has established a multi-channel reporting mechanism to ensure the timely handling of reports. The Company keeps strictly confidential the identity of whistleblowers and the matters reported, provides whistleblowers with necessary protection and appropriate incentives, and encourages employees, suppliers, and other partners to participate jointly in anti-corruption oversight, further improving the internal oversight system and enhancing the level of multi-stakeholder co-governance.

Supervision Measures for Anti-Commercial Bribery

01

- We have established a reporting mailbox for the prevention of commercial bribery, reporting hotline: 0510-85217779

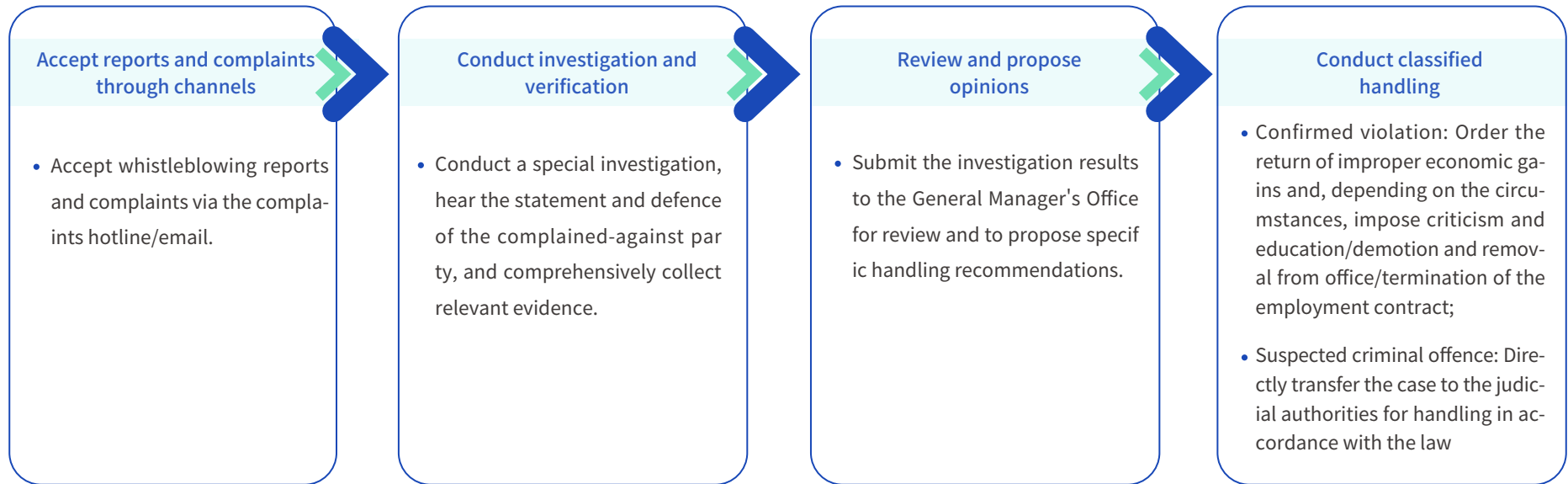
02

- The Company's supervisory department regularly arranges for managers and key personnel to conduct integrity and honesty self-inspections, retaining records. For individuals with issues identified in self-inspections, corrective action plans are created, and records are retained.

03

- We conduct random interviews with middle and senior management involved in the Company's business with suppliers to inquire whether they are aware of the Company's Anti-Commercial Bribery Commitment Letter with suppliers.

Anti-corruption and Anti-bribery Reporting and Complaint Procedures



Anti-unfair Competition

ETEK strictly complies with laws and regulations such as the *Law of the People's Republic of China Against Unfair Competition*, and has consistently implemented the principles of fair and equitable competition. Internally, we insist that all employees stick to honest operation in market competition and keep business ethics firmly in mind. Externally, in our commercial dealings with competitors, customers, and suppliers, we likewise ensure that product information is reliable and trustworthy. For any acts that may undermine fair market competition, we clearly define supervisory responsibilities, implement management requirements, and safeguard an open and transparent market order.

During the Reporting Period

0 incidents related to commercial bribery occurred

During the Reporting Period

There were 0 incidents of litigation or major administrative penalties arising from acts of unfair competition.

02

ETEK Innovates the Future with Chips, Advancing Through Technology

ETEK has always driven corporate development through independent innovation, and comprehensively advanced R&D of core technologies. The Company continues to optimise its talent incentive system, extensively bringing together top industry talent, and fully unleashing the potential for technological innovation. We remain committed to high-standard control over product quality, dedicated to building a safe and sustainable supply chain, and continuously improving our customer service mechanisms. In doing so, we fulfil our commitment to creating value for society through concrete actions, and actively help drive China's semiconductor industry forward.



Material topics addressed:

- Innovation-driven
- Clean Technology Opportunities
- Promote Industry Development
- Supply Chain Security
- Conflict Minerals
- Safety and Quality of Products and Services
- Data Security and Customer Privacy Protection

UNSDGs



Innovation-driven Development

ETEK has consistently placed innovation at the core of the Company's high-quality development, taking the cultivation of new quality productive forces and the shaping of new competitive advantages as the main strategic thread. The Company guides industrial upgrading through technological progress and serves economic and social development through value creation, continuously enhancing the modernisation level of the industrial chain and value chain, and striving to grow into an innovative high-tech enterprise with industry-leading influence and strong system-driving capability.

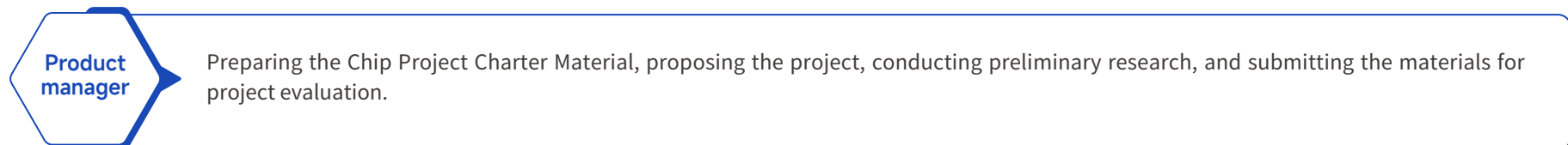
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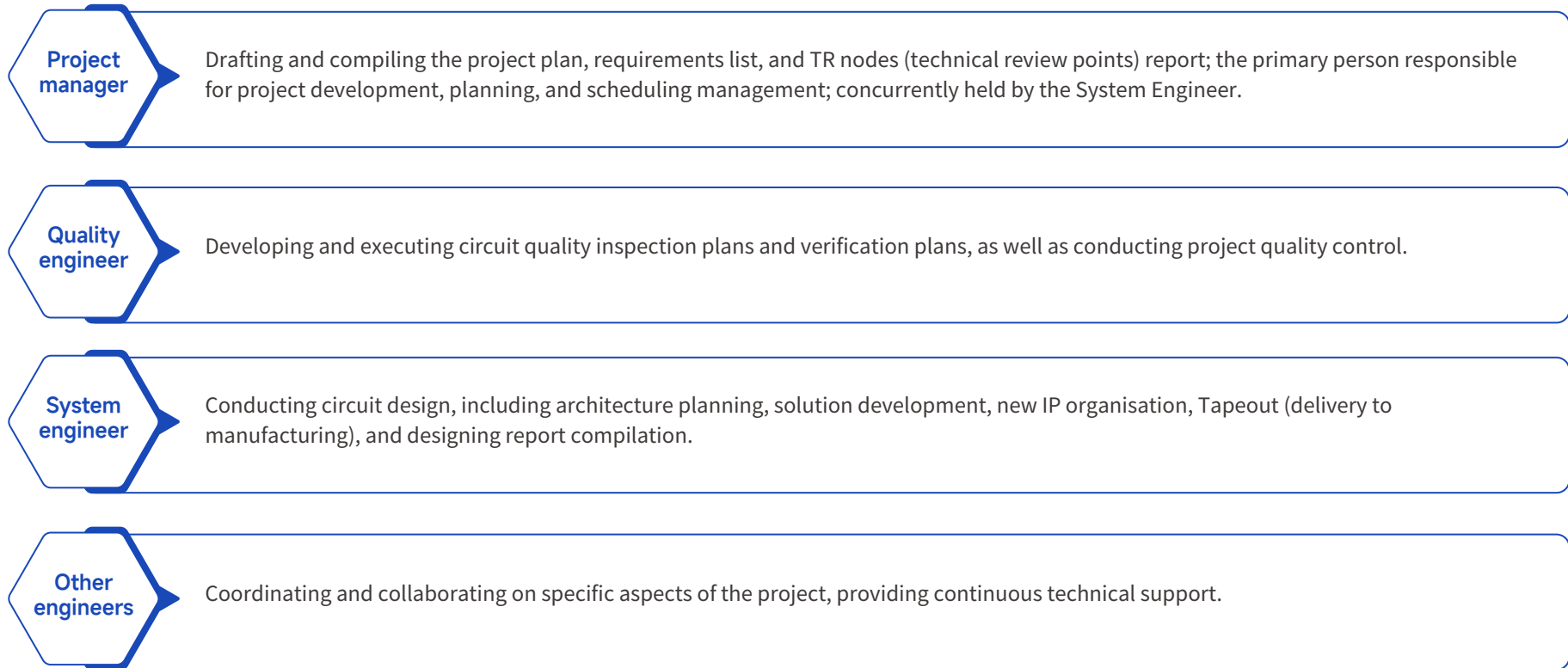
ETEK regards R&D innovation as the core engine of enterprise development, driving the Company to maintain its competitive edge. We implement full-process project-based management for R&D projects, have established a comprehensive project R&D management system, and formulated policies such as the Guidance on the Development Process for Chip Projects to standardise the initiation, implementation, and process control of R&D projects. We have also built a top-down organisational structure to ensure the smooth advancement of R&D innovation projects.

Development of R&D system

The Company has established a sound governance system for the R&D organisation, forming an innovation governance mechanism that coordinates strategic planning with implementation and execution. The Board of Directors plans the direction of R&D from a strategic perspective, ensuring that the R&D strategy is highly aligned with the Company's long-term development goals and business strategy. The chip development team, as the core driving force for innovation, brings together professional talent from multiple fields, including market, quality, design, and operations. Through close cross-departmental collaboration, we provide a solid guarantee for continuous breakthroughs in R&D.

○ Key Roles and Responsibilities of the Development Team





Transformation of technology achievements

The Company's transformation of technology achievements is led and organised by the R&D Centre, with coordination and cooperation from all departments, and is subject to approval and oversight by the Board of Directors and the Finance Department, among others. We have established an internal innovation and entrepreneurship platform to provide resource support to R&D personnel and project teams, and to encourage them to transform technology achievements independently or through collaboration.

The Company's key priorities in technology R&D cover multiple areas, including power management, signal chains, and overvoltage protection (OVP), and we made notable progress, in particular, in low-power and high-efficiency power management ICs. The Company is committed to driving innovation in driver IC technologies, particularly their application in areas such as wearable devices and electronic door locks, with a focus on enhancing the low-power performance of our products.

Strategy

ETEK adheres to an innovation-driven development strategy, focuses on its core business of power management ICs, continuously strengthens R&D expenses and team building, and deeply cultivates key technologies such as low power consumption and high integration. The Company strictly adheres to industry standards and implements the R&D strategy of high performance, high quality, and high reliability. Through precise resource allocation and efficient transformation of outcomes, we have built a technology-to-market business closed loop, consolidated our technology-leading advantages in niche segments, and systematically identified R&D risks and opportunities, exploring key pathways to support the Company's steady growth.

Risks and Impacts

Risk Type	Description	Probability of Occurrence	Impact Timeframe	Impact Dimension	Potential Financial Impact	Countermeasures
Risk of lagging behind technological iteration	Semiconductor industry technologies are evolving rapidly. If our R&D fails to keep pace with demand in emerging markets such as AI and automotive electronics, we will face a decline in competitiveness.	High	Medium term	Technology	Decrease in operating revenue	<ol style="list-style-type: none"> 1. Continue technological innovation and product R&D, and maintain normal product iteration to stabilise our core competitiveness. 2. Strengthen intellectual property planning to build robust competitive barriers around core technologies.
Risk of customer base concentration	The top five customers account for more than half of total sales; any changes in customer demand or supply chain strategies could have a significant impact on the Company's operational stability.	Medium	Medium term	Market	Decrease in operating revenue	<ol style="list-style-type: none"> 1. Actively expand into new markets such as industrial and automotive electronics to reduce customer dependency. 2. Deepen strategic cooperation with existing leading customers to enhance customer stickiness. 3. Establish a dynamic monitoring and rapid response mechanism for customer demand.
Risk of inventory impairment	Intensified industry competition and rapid technological updates mean inventories face significant pressure from market price declines and impairment.	Medium	Short term	Finance	Increase in operating costs	<ol style="list-style-type: none"> 1. Strengthen market forecasting and refine inventory management. 2. Optimise the product life cycle and accelerate inventory turnover.

○ Opportunities and Impacts

Opportunity Type	Description	Probability of Occurrence	Impact Timeframe	Impact Dimension	Potential Financial Impact	Countermeasures
Market opportunity of domestic substitution	Strong demand exists for independent and controllable domestic industrial and automotive electronics supply chains. We ensure a stable supply for domestic enterprises through alternative solutions, and our high-performance chips are capable of substituting international brands.	High	term	Market	Increase in operating revenue	<ol style="list-style-type: none"> Promptly follow up on the technical requirements of the industrial control and automotive-grade markets, and accelerate product certification. Improve service quality, accurately identify potential customers, and refine the project development process for leading domestic customers. Rely on the national-level specialised, refined, distinctive, and innovative "Little Giant" qualification to enhance market recognition.
Opportunity of R&D innovation and transformation	High R&D expenses have created technical reserves such as multiple invention patents, delivering a leading technological advantage in segmented areas, including power management ICs. We have a first-mover advantage in new tracks such as signal chains, and can create value through the transformation of R&D results.	Medium	Medium term	Technology	Increase in operating revenue	<ol style="list-style-type: none"> Clarify the benefit distribution mechanism for R&D projects to stimulate innovation vitality. Strengthen the talent pool, expand the R&D team, and reinforce the development of talent pipelines.
Opportunity for green and low-carbon development	The global trend towards energy conservation and carbon reduction drove demand for high-efficiency power management ICs, and our products aligned with the development direction of green industries.	High	Long term	Market	Increase in brand premium	<ol style="list-style-type: none"> Strengthen the R&D and promotion of high-efficiency, low-power-consumption chips. Promote energy conservation and emission reduction practices across product and production processes.

Strengthening R&D capabilities

The Company regards team development and mechanism building as its core strategy. By establishing a sound incentive system and talent development pathways, we proactively respond to the national innovation-driven development strategy, providing solid talent assurance and technical support for long-term sustainable development.

In terms of talent development, we systematically carry out professional technical training and capability-building programmes, and introduce the Employee Competency Assessment Matrix Mechanism to strengthen the structured assessment of talent capabilities and expand career development pathways. The Company's core management team structure is robust, with a clear division of responsibilities and efficient collaboration among members. While continuously increasing R&D expenses, we also proactively expand our market team, committed to building a coordinated system with efficient linkage between R&D and the market, thereby providing solid organisational assurance for the Company's long-term development.

In terms of innovation incentives, to stimulate the intrinsic motivation of R&D personnel, we have formulated and implemented the *Policy on Organisational Implementation and Incentive for Technology Achievement Transformation*. This policy comprehensively considers factors such as sources of funding and the contribution ratio, establishes a clear income distribution mechanism, and sets the income from the transformation of R&D achievements as a return source independent of basic remuneration and performance incentives. In addition, through measures such as special subsidies for patents and layout designs, we systematically safeguard the legitimate rights and interests of R&D personnel and other relevant participants, and provide R&D personnel with stable, long-term innovation incentives.



The market team and the Shanghai R&D Centre expanded rapidly, strengthening our capabilities in technology R&D and enriching our R&D resources.

The total number of R&D personnel is **331**

R&D personnel now account for **57.67%** of total employees

An increase of **38** compared to the previous year

An increase of **1.22%** compared to the previous year

The proportion of R&D personnel has steadily increased

○ R&D Team Structure in 2025

	Metric	Unit	2025
R&D personnel by educational background	Doctor's degree	/	4
	Master's degree	/	104
	Bachelor's degree	/	205
	Below bachelor's degree	/	18

Impacts, risks and opportunities management

ETEK adheres to a development model centred on independent research and development, has established a comprehensive risk management framework, and systematically identified and addressed various risks and opportunities arising from research, development, and innovation. By continuously improving its technology management, resource assurance, and process mechanisms, the Company enhances its risk prevention and control capabilities, and consistently strengthens its independent innovation capacity and long-term competitive advantages.



Risk Identification

In the project initiation and preliminary research stages, risks such as R&D, quality, and intellectual property are systematically identified, combining the Guidance on the Development Process for Chip Projects and departmental experience.



Risk Assessment

The Board of Directors and relevant functional departments, including the Finance Department, review and oversee the identified risks. Through a tiered review mechanism, they clarify the likelihood of risk occurrence, the degree of impact, and potential losses, and determine the risk level.

○ 风险流程



Risk Response

Project managers and quality engineers are responsible for developing and implementing quality inspection and verification plans. The Intellectual Property Department strengthens risk prevention through patent applications and dedicated training. The R&D Centre takes the lead in organising technical problem-solving and resource allocation. The risk response process simultaneously follows Emergency Preparedness and Response Procedures, ensuring timely and effective response capabilities for emergencies.



Risk Monitoring

We implement dynamic tracking of identified risks, and, based on the Project Management Process, carry out full-cycle progress and quality control. By improving the system for the transformation of technology achievements and incentive schemes, we promptly adjust the R&D direction or reallocate resources to ensure that project objectives remain aligned with the enterprise's overall strategy.

Case Semiconductor's electronic detonators and wireless initiation system successfully entered the Australian market

Our subsidiary, Semiconductor, focuses on electronic control modules and initiation control systems, and has gained an advantage in key technologies such as ultra-long delay and long-distance communication. In 2025, we, together with Xi'an Qinghua, completed the first overseas trial blast of domestically produced electronic detonators and the MAXE wireless cascading initiation system at a gold mine in Western Australia. Through dual-blast-area cascading and comparative testing, we verified the effects of refined blasting and improved mining efficiency, providing a demonstration for Chinese electronic blasting technology to go global and for subsequent large-scale application.



Blasting Test Site

Case Wuxi Semiconductor has safeguarded the Greater Khingan Range with technology for three consecutive years

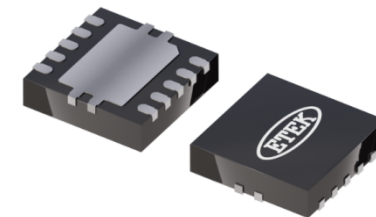
On 29 March 2025, Semiconductor's proprietary special-purpose IC for civil explosives was successfully applied in an ice-jam blasting operation in the Tahe River section, Heilongjiang, serving the Greater Khingan Range ice-flood prevention project for three consecutive years. Through a highly reliable electronic detonator control module, it achieved precise blasting initiation and reduced operational risks, enhancing the basin's flood control safety assurance capability and demonstrating the value of innovative applications of civil explosives technology in serving ecological security and people's livelihoods.



Ice Jam Blasting

Case Highly integrated power switch IC enhanced system reliability and sustainability

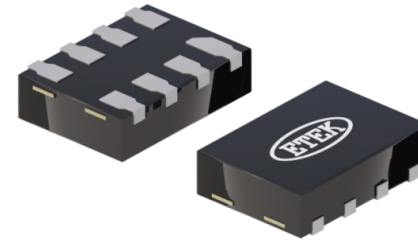
The Company launched a highly integrated power switch IC, providing protection solutions for SSDs, servers, industrial equipment, and high-speed USB interfaces. The chip integrates programmable current limiting, reverse blocking, and multiple protection functions. It supports wide-voltage input and high-current output, enhances high-voltage tolerance, and delivers reliable performance for long-term operation. The chip effectively reduces energy consumption and material use, lowers system failures and maintenance costs, and promotes the development of power protection design towards a green, intensive, and sustainable direction.



ET20170

Case Ultra-low-latency bidirectional level-shifter enable high-speed signal transmission for smart communication devices

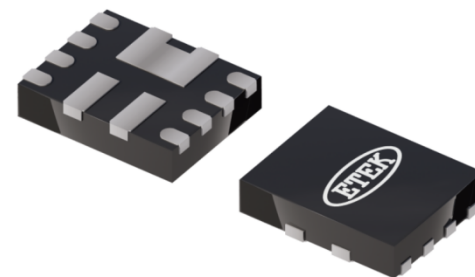
We launched ETF0102, a two-channel automatic bidirectional level-shifter. It supports automatic conversion across a wide voltage range, with nanosecond-level low latency and ultra-low standby current. Without requiring a direction control signal, the design significantly simplifies multi-voltage-domain systems. This chip adopts a small-size package and is suitable for terminals such as smartphones, laptops, and smart wearables, improving signal integrity and energy efficiency, and supporting the development of next-generation smart devices such as 5G and AIoT through a highly integrated, low-power interface solution.



ETF0102

Case High-current synchronous boost conversion provides an efficient power supply solution for portable devices

The Company launched ET84501, a fully integrated synchronous boost converter, achieving wide input voltage, high output voltage and high current capability in a compact package. Together with adaptive PFM/PWM control and multiple protection mechanisms, it delivers both high efficiency and high reliability. This product is designed for space-constrained devices such as high-end smartphones, tablets and mobile power banks, helping customers enhance power supply performance and energy efficiency within a limited PCB area, and driving portable terminals towards power architectures with higher power density and higher efficiency.



ET84501

Metrics and targets

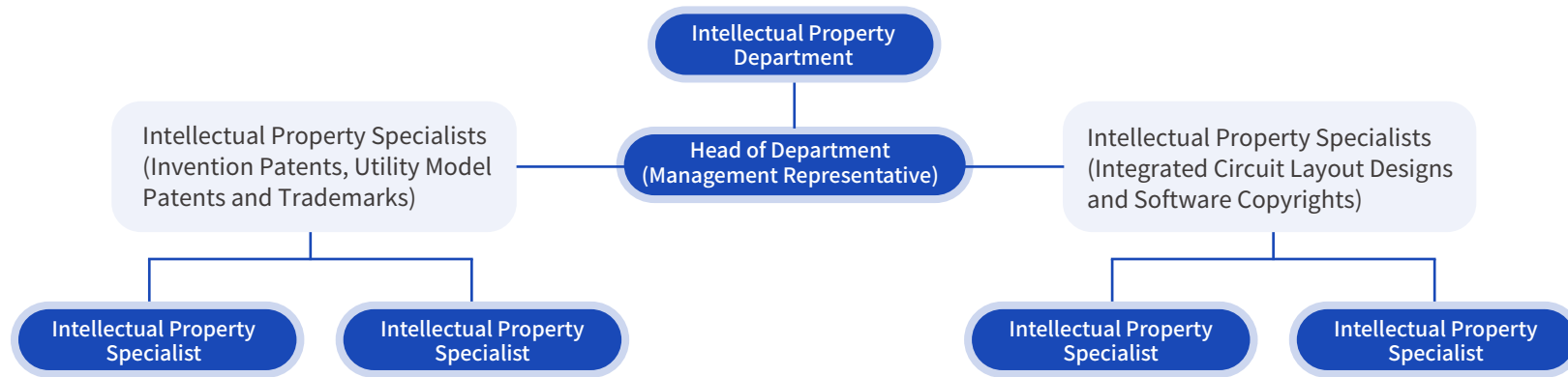
ETEK has established clear targets and plans around R&D innovation, with the aim of continuously consolidating its technological leading position in the semiconductor sector, and steadily enhancing the Company's market competitiveness and industry influence.

Metric	Target	Unit	2025	2024	Growth Rate
Annual R&D expenses	To continuously increase R&D expenses	RMB'0,000	19,432.26	14,055.93	38.25%
Proportion of R&D expenses to operating revenue	To optimise resource allocation	%	25.29	17.85	7.44%
Number of intellectual property applications	To consolidate the intellectual property portfolio	/	41	42	-2.38%

Protection of intellectual property rights

The Company has established and continuously improved its intellectual property management system, and has obtained certification for the intellectual property compliance management system. The Company focuses on improving intellectual property-related systems. Through measures such as systematic patent applications and full-process technical protection, we effectively safeguard the uniqueness and value of our technological achievements and also lay a solid intellectual property foundation for the Company's sustained technological innovation and development.

The Company has formulated and implemented the *Enterprise Intellectual Property Management Manual*, and established a management structure featuring Management Representatives and Intellectual Property Specialists. A dedicated team is responsible for the acquisition, review, maintenance, and management of intellectual property, promoting the systematic and standardised operation of the intellectual property management system.



The Company attaches great importance to the commercialisation and protection of intellectual property achievements. By incentivising the R&D team to file patent applications in a timely manner, we effectively consolidate our technological achievements in legal form. At the same time, the Company focuses on fostering a cultural atmosphere in which all employees respect and protect intellectual property, regularly organising dedicated intellectual property training combining online and offline formats, continuously enhancing employees' intellectual property awareness and risk prevention capabilities, and strictly adhering to compliance requirements.



Intellectual Property Compliance Management Certification Certificate

During the Reporting Period

- 2 intellectual property training sessions were conducted, with a training duration of 2 hours.

Metric	Unit	2025
Number of newly filed intellectual property applications	/	41
—New invention patent applications	/	26
—New utility model patent applications	/	2
—Number of new applications for integrated circuit layout-design protection design	/	13
Number of newly granted intellectual property rights	/	23
—New invention patent authorisations	/	10
—New utility model patent authorisations	/	4
—Number of newly granted integrated circuit layout design protection rights	/	9
Total number of valid patents	/	131
Number of valid patents per RMB million of revenue	Case/RMB million revenue	0.17



Patent Certificates



As at the end of the Reporting Period

- The Company owned a total of **196** valid intellectual property rights.



Certificate of Completion of Online Training on Intellectual Property

/// Safety and Quality of Products and Services

ETEK remains committed to the bottom line of product and service safety and quality. Based on our quality management system and in conjunction with the characteristics of the semiconductor chip business, we have established a full-process quality control system and continuously promoted quality improvement and enhancement. Through stringent end-to-end controls, we continuously strengthen product reliability and service quality, providing customers with stable and reliable products and services.

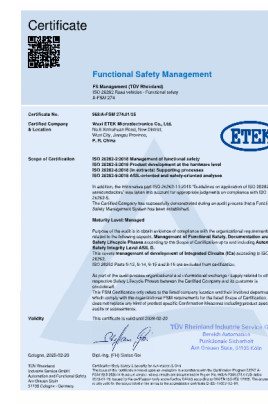
Governance

ETEK has always regarded quality management as the cornerstone of its sustainable development, fully implementing the *Product Quality Law of the People's Republic of China* and the ISO9001 standard, and establishing a quality management system covering the entire product life cycle. The Company has formulated and implemented a series of management systems, including the *Regulations on Quality Objective Management, Product Testing and Assessment Process, Product Monitoring and Measurement Control Procedures, Product Sampling Inspection Management Process and Procedures for Handling Non-Conforming Products*, thereby building a control mechanism covering all stages from R&D and design, and production and manufacturing, to market delivery. We have obtained the ISO9001 Quality management systems certificate and the ISO26262 Road Vehicles - Functional Safety certificate.

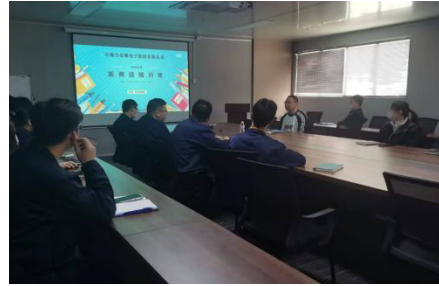
The Company has established a quality management organisational system under the overall coordination of the General Manager, with multi-departmental collaboration among the Design Department, Project Department, Operations Department, Quality Management Department, and other departments. Each department has clearly defined responsibilities and strengthened collaboration, forming a quality co-governance network to enhance the effectiveness of quality control and consolidate the Company's market image with quality at its core.

Strategy

ETEK attaches great importance to product quality and service safety. Based on the internal and external environment, we have formulated a quality development plan. Through internal audits, management reviews, and data analysis, we continuously identify and improve potential issues in products and services, and implement effective corrective and preventive measures. The Company has always closely monitored customer needs, adjusted quality objectives and resource allocation, and ensured a rapid response to changes in the market. The Company regularly carries out quality training and communication activities to enhance all employees' quality awareness and execution capability, providing a solid guarantee for the stability and improvement of product quality.



ISO9001 Certificate and ISO26262 Road Vehicles - Functional Safety Certificate



Quality Training

The Company fully recognises the critical role that high-quality customer service plays in market competition. To this end, we have systematically developed and implemented a series of service management systems, including the *Customer Complaint Handling Procedures*, the *Service Control Procedures*, and the *Customer Satisfaction Service Procedures*, to continuously optimise service processes and enhance customer response efficiency and service quality.

[Complaint Channels](#)

 Hotline: 0510-85210118

 Email: lull@etek.com.cn

Impacts, risks and opportunities management

ETEK has established a quality and safety management system covering the entire product life cycle, forming a systematic process for risk identification, assessment, and control. From the perspective of product and service quality, we identify potential risks and opportunities for improvement across all stages, and implement tiered assessments and dynamic management. Across all stages, including product design, development, production, delivery, and even end-user use, the Company has established corresponding quality control checkpoints and risk management mechanisms. Through standardised processes and continuous monitoring, we ensure that product quality from source to end user meets high standard requirements.

○ Quality Control Process

● Quality planning



We formulate a detailed quality plan at the early stage of product development, clarifying quality objectives, acceptance criteria, and inspection methods for each phase, thereby providing a full-process quality standard basis for product R&D and validation.

● Control over production outsourcing



Through an institutionalised collaboration mechanism, the Company clarifies quality requirements with suppliers and implements joint controls to ensure that outsourced manufacturing processes continue to comply with the Company's quality standards.

● Quality inspection and testing



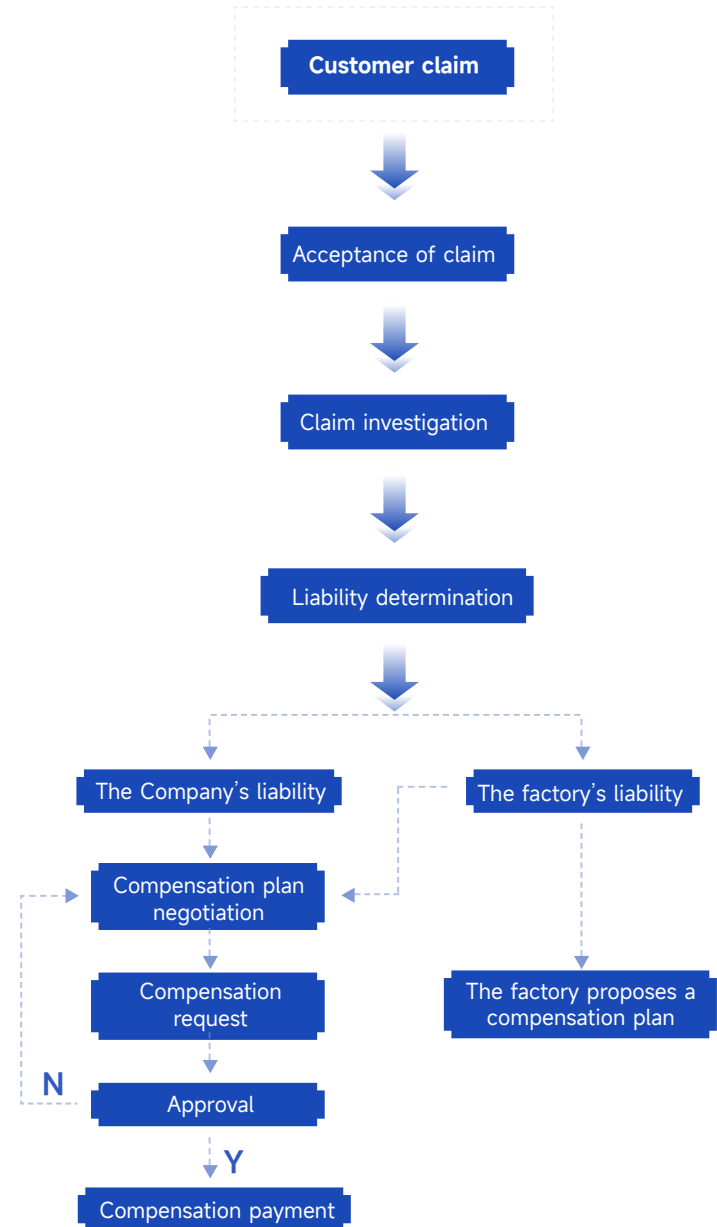
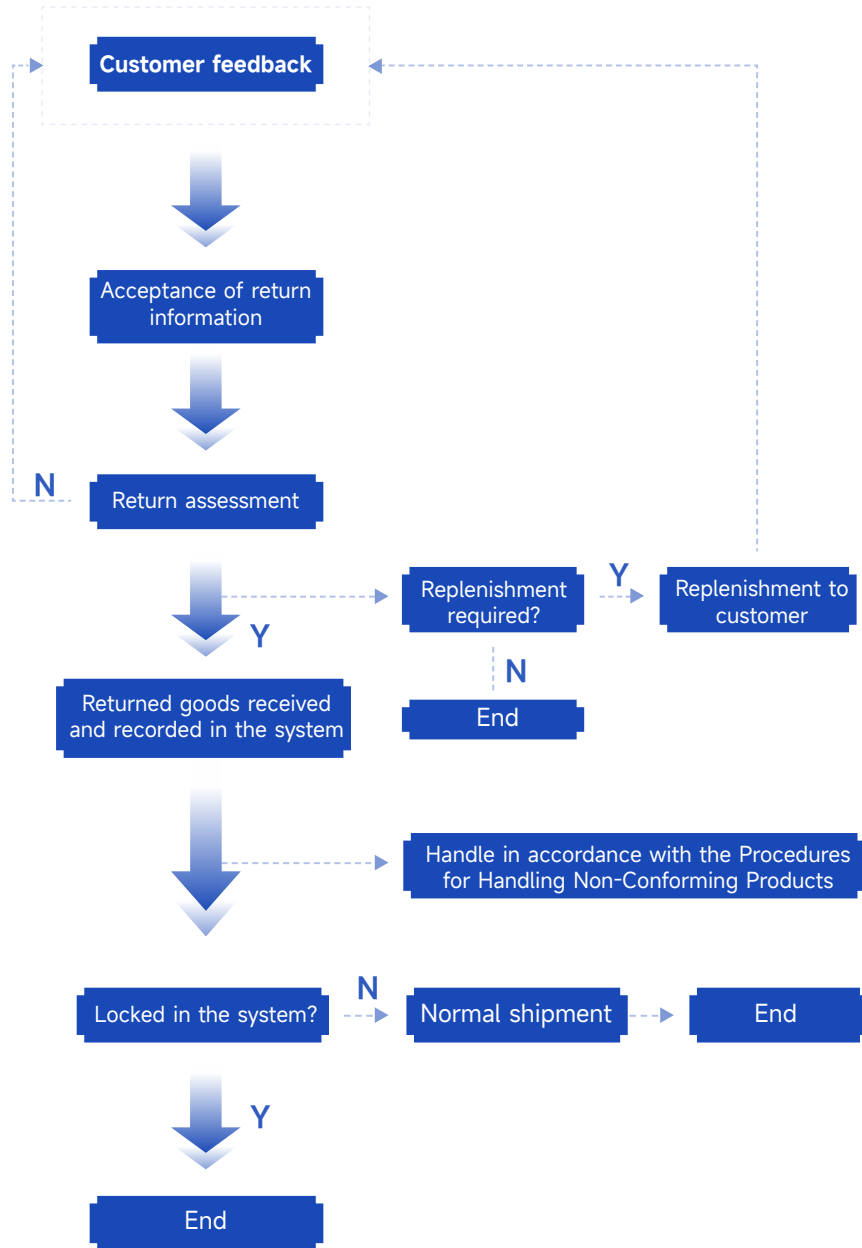
We have established a comprehensive laboratory testing system, equipped with high-precision reliability testing equipment, strictly implemented standardised testing procedures, and carried out traceability and closed-loop handling for non-conforming products.

● After-sales service



We have established a systematic after-sales service system. We respond promptly to customer feedback and complaints, continuously track quality performance during product use, and incorporate customer feedback into the quality improvement cycle to drive continuous optimisation of products and services.

○ Customer Return and Exchange Process and Compensation Process



Metrics and targets

In terms of quality objective management, core indicators such as the supplier product qualification rate, customer satisfaction rate, and number of customer complaints are regularly compiled, tracked, and implemented by responsible departments, including the Quality Management Department and Sales Department. The Company attaches great importance to the achievement of quality objectives. For items that fail to meet the standards, we require analysis, corrective actions, and verification of effectiveness, and continuously promote improvements in the level of quality management.

Metric	Target	2025	Achievement Status
Supplier product quality inspection pass rate	≥ 98%	98.5%	Target met
Customer complaint handling rate	100%	100%	Target met
Customer complaint resolution rate	100%	100%	Target met
Customer satisfaction	≥ 90%	93%	Target met

Case ETEK's Quality Month activities: "Small Things, High Quality"

In September 2025, ETEK carried out a series of Quality Month activities under the theme "Small Things, High Quality". Through initiatives such as collecting case studies of detail-related issues in day-to-day work that affect work quality, organising a company-wide themed essay-writing activity, and quality knowledge quizzes, we focus on enhancing all employees' awareness of quality in detail and their participation in practice, further consolidating the foundation of a company-wide quality culture.



"Quality Month" Activities

// Promotion of Industry Development

ETEK attaches great importance to industrial synergy and industry exchanges, and actively participates in various exhibitions and seminars. We continuously deepen cooperative interactions with industry peers, accurately grasp cutting-edge trends and market demand, absorb advanced technologies and management experience, showcase our comprehensive capabilities, and enhance our brand influence. Relying on technological innovation and reliable product quality, we continuously consolidate our core competitiveness. During the Reporting Period, we received a number of authoritative industry honours and qualification certifications, gaining widespread recognition from the market and the industry.

In the future, ETEK will continue to adhere to the innovation-led development strategy, deepen technological deployment in key fields, expand the global cooperation network, and strive to become a leading high-tech enterprise with international influence, contributing more to industry progress and social sustainable development.



Executive Committee Member of the Jiangsu Federation of Industry and Commerce (General Chamber of Commerce)



Member of the Jiangsu Integrated Circuit Society



Vice President of the Jiangsu Semiconductor Industry Association



Member of Jiangsu International Service Outsourcing Enterprise Association

Case | Electronica China | ETEK's booth attracted significant attention

In April 2025, ETEK made an appearance at the Electronica China, with a focus on showcasing its high-reliability and ultra-low-power product series. On the first day of the exhibition, it attracted more than 300 industry clients and engineers for exchanges and interaction, demonstrating the Company's technological accumulation and market influence in the integrated circuit sector. This participation not only presented the Company's latest technological achievements, but also, through in-depth communication with industry clients and engineers, promoted technical exchanges and needs alignment across the upstream and downstream of the industrial chain. The high-performance power management IC solutions exhibited by the Company provided more reliable technology options for fields such as consumer electronics and industrial control, driving industry-wide technological upgrading and application innovation.



Electronica China

Case | Korea Electronics Show (KES) | ETEK exhibited its new low-light charging PMICs

In October 2025, ETEK made a major showcase of ET95640, a high-performance micro-light rechargeable battery management IC, at the core booth of the KES. The chip can efficiently extract energy from high-impedance weak energy sources such as photovoltaics (solar energy) and thermoelectric generators (TEG), and supports charge and discharge management for multiple types of rechargeable batteries, including lithium-ion, lithium polymer, and supercapacitors. It effectively addresses the power supply challenges for devices in weak energy environments, can significantly extend the battery life of the IoT and wearable devices, and enables long-term maintenance-free operation, leading the industry's energy management upgrade with its core technological advantages.



Korea Electronics Exhibition

Supply Chain Security

ETEK attaches great importance to supply chain security management, and adheres to the principles of compliance, stability, and sustainable supply chain development, building a secure and controllable supply chain system around our core chip business. Through stringent supplier onboarding, routine risk screening, and end-to-end collaborative management, we continue to strengthen supply chain resilience, safeguarding the stable operation of our production and business activities and the security of product supply.

Governance

ETEK regards supply chain security and stability as an important foundational component in ensuring product quality, delivery reliability, and the sustainable development of the enterprise. The Company has formulated and implemented a series of policy documents, including *Supplier Safety Management System*, *Supplier Management Procedures*, and *Implementation Rules for Supplier Management System*, thereby establishing a comprehensive management mechanism covering supplier onboarding, performance evaluation, and dynamic withdrawal.

The Company assigns the Operations Department as the core implementation department for supply chain security management and control. In collaboration with the Quality Management Department, Design Department, and other departments, the Operations Department has established a quality control system covering the entire procurement process and the full product life cycle. This system effectively ensured the consistency and reliability of products, and earned the Company long-term recognition and trust from customers.

Strategy

ETEK incorporates supplier management into the overall corporate strategic framework, systematically assesses each link in the supply chain, and proactively identifies potential risks and development opportunities. The Company implements a transparent and standardised procurement model, working together with supply chain partners to jointly build a responsible and sustainable supply chain system. By strengthening supplier onboarding, performance assessment, and capacity building, we continue to enhance the overall quality level of suppliers, ensuring that procured raw materials and outsourced production processes meet our high standards and achieve collaborative win-win outcomes across the value chain.

In addition, the Company focuses on collaborative development and joint capability building with suppliers. Through regular training, technical exchanges, and information-sharing mechanisms, we promptly communicate our requirements in areas such as quality management and environmental standards. Together, we safeguard product quality and supply stability, and promote overall progress and sustainable development across the industrial chain.

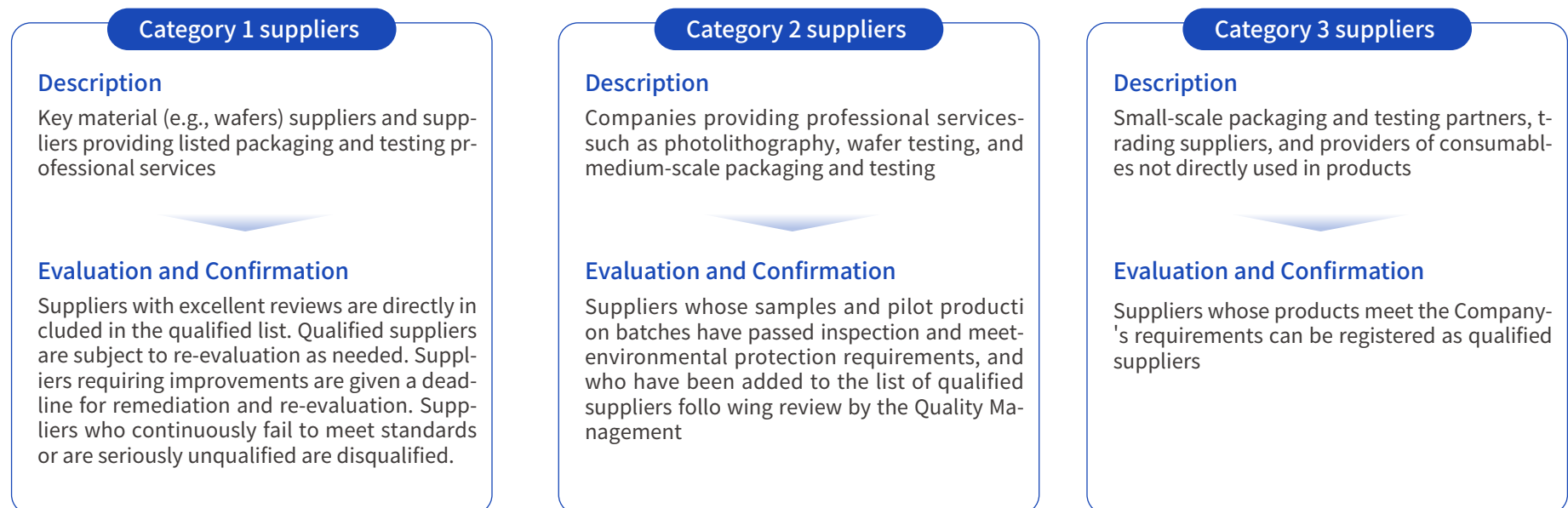
Onboarding management

During supplier onboarding, the Company has established stringent screening criteria to control supply chain quality at source. We deeply integrate environmental, safety, and responsibility standards into supplier screening, evaluation, and day-to-day collaboration. For core suppliers of wafers, packaging and testing, we also set higher thresholds, including assessments of industry experience, technical capabilities, and management systems. This system not only systematically enhances supply chain transparency, quality stability, and operational resilience, but also, through deep collaboration with partners, jointly promotes green and safe supply chain practices, reflecting the Company's firm commitment to a sustainable value chain.

Hierarchical management

EOTEK has established a three-tier classification management system based on suppliers' business nature and scale characteristics, and implemented differentiated onboarding and evaluation mechanisms to manage supply chain quality and risks in a systematic manner.

○ Supplier Management



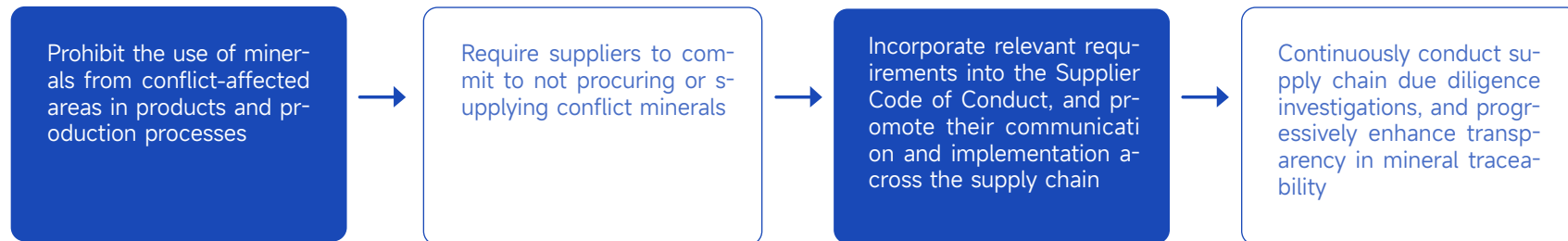
Supply chain risk and opportunity management

The Company has established long-term and stable cooperation with a number of high-quality partners, built a multi-source supply system, and effectively diversified single-source supply risks. We implement differentiated controls tailored to the characteristics of different stages: The wafer manufacturing stage focuses on supply diversity, technology maturity, and capacity assurance; the packaging and testing stage focuses on assessing technical capability, quality control standards, and the stability of key resources. We establish a process anomaly monitoring mechanism, continuously track key quality indicators, collaborate with suppliers to carry out root cause analysis and improvements, and transform risk identification into opportunities for quality enhancement and supply chain optimisation.

Conflict minerals

EOTEK follows internationally recognised standards for supply chain due diligence management and has made a clear commitment not to use minerals from conflict-affected areas in our products. The conflict minerals we have defined mainly refer to metals such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn) produced in mining areas within the Democratic Republic of the Congo and its nine surrounding countries that are controlled by non-governmental armed groups or associated with human rights abuses. The Company has established a conflict minerals control mechanism and will continue to improve the supply chain traceability system, working together with suppliers and industry partners to promote responsible mineral sourcing and jointly build a sustainable and compliant supply chain ecosystem.

○ Conflict Minerals Management



Impacts, risks and opportunities management

The Company has established a systematic supply chain risk control framework, aiming to proactively identify, assess, monitor, and respond to various potential risks in supply chain operations through a cross-departmental coordination mechanism, thereby safeguarding the continuity, stability, and resilience of the supply chain.



Risk Identification

We regularly conduct comprehensive scanning and review of all links in the supply chain, including raw material procurement, supplier selection, logistics and transportation, warehousing management, and production processes, to systematically identify potential risk points and lay the foundation for risk management and control.



Risk Assessment

We conduct comprehensive analysis, grading and prioritisation of identified risks, assess their likelihood of occurrence and degree of business impact, and provide a decision-making basis for formulating targeted response strategies.



Risk Response

Based on the risk assessment results, we formulate and continuously enhance emergency response plans and business continuity plans. Through multi-scenario drills and resource preparedness, we ensure rapid response in the event of an emergency, thereby minimising the risk of operational disruption to the greatest extent possible.



Risk Monitoring

We establish a routine supply chain monitoring mechanism. Through data tracking, regular reviews, and early warning indicators, we continuously keep abreast of supply chain operating status, maintain sensitivity to changes in risk dynamics, and achieve a shift from reactive response to proactive management.

Metrics and targets

ETEK will take ensuring the supply chain security and stability as the core focus, continue to optimise the supplier selection and management system, prioritise the selection of high-quality suppliers with international standard certifications, and steadily increase the proportion of suppliers with compliance certifications. At the same time, we will deepen collaborative cooperation with upstream and downstream partners, strengthen supply chain resilience and response efficiency, and jointly build a safe, sustainable, and efficiently coordinated industrial ecosystem. ETEK will take ensuring the supply chain security and stability as the core focus, continue to optimise the supplier selection and management system, prioritise the selection of high-quality suppliers with international standard certifications, and steadily increase the proportion of suppliers with compliance certifications. At the same time, we will deepen collaborative cooperation with upstream and downstream partners, strengthen supply chain resilience and response efficiency, and jointly build a safe, sustainable, and efficiently coordinated industrial ecosystem.

Metric	Unit	2025	2024
Total number of suppliers	/	120	109
Number of suppliers by geographical region	China (including Hong Kong, Macao, and Taiwan regions)	117	107
	Overseas suppliers	3	2
Supplier Integrity Commitment Letter	/	32	18
Proportion of suppliers that have signed the Integrity Commitment Letter	%	26.67	16.51
Number of suppliers that obtained the quality management systems certificate	/	102	82
Proportion of suppliers that obtained the quality management systems certificate	%	85	75
Number of suppliers that obtained the environmental management systems certificate	/	75	62
Proportion of suppliers that obtained the environmental management systems certificate	%	62.50	56.88

Data Security and Customer Privacy Protection

In the digital era, data security and customer privacy protection are of vital importance, and are also a key safeguard for the steady development of the semiconductor industry. The Company has consistently positioned data security and privacy protection as a key priority in its business operations and management, strictly complying with relevant laws and regulations as well as industry regulatory requirements, and has established and improved data full lifecycle management and privacy protection mechanisms. Through improving our institutional framework, strengthening technical safeguards and internal controls, we effectively ensure the security of customer information and business data, and continue to solidify the security defences underpinning digital operations.

Governance

ETEK incorporates data security and privacy protection into the core scope of corporate governance, and has established a systematic governance structure and management system. The Company has formulated and strictly implemented a series of policy documents, including the *Cybersecurity Regulations*, *Confidentiality Management Policy*, *Regulations on Development Systems and Information Management*, and *Information Security Management Rules*, to clarify the division of responsibilities and authorities, standardise data handling processes throughout the full lifecycle (collection, storage, transmission, use, destruction), and implement stringent controls over network infrastructure, business systems, and third-party collaborations. This system combines institutional constraints, standardised processes, and technical safeguards to implement the primary responsibility for information security, and extends this to supply chain and partner management, thereby ensuring data and information security.

ETEK has established a data security management organisational structure with the Information Department as the central coordinating core. The Information Department takes the lead in establishing data security policies, implementing technical safeguards, managing access controls, and conducting daily oversight. It works in collaboration with all business departments to fulfil security responsibilities, thereby creating a management system characterised by clear division of labour and efficient coordination to ensure the security and compliance of the Company's data assets.

Strategy

ETEK integrates data security and privacy protection into the Company's overall strategy, establishing a dynamic security governance framework with proactive prevention at its core and emergency response as support. We systematically identify potential threats and weaknesses by conducting regular information security risk assessments, and use the results as a basis to dynamically optimise our security strategies and control measures.

To address potential sudden security incidents, the Company has established a structured mechanism covering the full process of incident reporting, tiered response, system recovery, and post-incident review, ensuring rapid response and effective control when security incidents occur, and minimising the impact on business continuity and the rights and interests of relevant stakeholders to the greatest extent possible. In terms of technical protection, we deploy boundary protection measures such as firewalls and introduce third-party threat analysis reports to strengthen threat intelligence analysis and proactive defence capabilities. The Company carries out data security and information security training, systematically publicising the *Confidentiality Policy*, *Cybersecurity Regulations*, key points for risk identification, and requirements for emergency response, continuously enhancing employees' security awareness and compliance capabilities.

ETEK consolidates the foundations of information security through systematic daily training and operations and maintenance management. The Company has established a regular back-up mechanism for critical information systems (such as the ERP system), carrying out scheduled daily data back-ups to ensure the integrity and recoverability of business data, and providing reliable assurance for business operations.

○ Data and Information Security Measures

Information Security Management Rules

Focusing on full lifecycle data management, we have established a security control system covering all stages, including collection, storage, transmission, use and destruction, clarifying security management requirements and technical measures to ensure that information security risks are identifiable, controllable and traceable.

Cybersecurity Regulations

Focusing on the overall security of network infrastructure and application systems, we have implemented measures such as layered network protection, stringent access control, comprehensive log audits, and real-time threat monitoring to systematically defend against cyber-attacks and continuously reduce the risks of data breaches and business disruption.

Confidentiality Management Policy

For trade secrets, customer confidential information, and sensitive information, we have established a classified management system covering three levels: Top Secret, Confidential, and Secret. Through comprehensive measures such as physical isolation, network controls, access restrictions, and employee confidentiality agreements, we have built an end-to-end confidentiality defence line spanning the entire process from information creation and transmission to storage and destruction.

Regulations on Development Systems and Information Management

Focusing on the R&D and design environment and data security, we ensure the integrity, confidentiality, and traceability of design systems and R&D data by centralised control over key processes such as software installation, user access rights, data import and export, and regular backups.

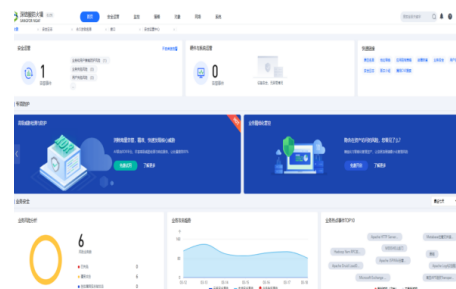


Figure: Deployment of a Data Information Security Firewall



Figure: Information Security Training

Impacts, risks and opportunities management

Based on a systematised risk management and control process, the Company precisely identifies potential information security threats and deploys structured, multi-tier response measures to ensure that information systems operate in strict compliance with established rules and standards, thereby effectively supporting sustainable business development.

○ Risk Assessment Process



Risk Identification

The Company conducts a comprehensive review of all types of information assets, including data, software, hardware, services, and personnel, clarifying their security attributes such as confidentiality, integrity, and availability. On this basis, we systematically identify potential threats and inherent vulnerabilities, enabling the proactive discovery and precise identification of security risks.



Risk Assessment

We adopt a combination of qualitative and quantitative approaches to conduct systematic assessments of identified risks. Taking asset criticality, threat frequency, and degree of vulnerability as core indicators, we apply a risk matrix model and quantified risk ratings through formulae, presenting in an intuitive manner the likelihood and impact of security incidents and providing a scientific basis for decision-making on risk response.



Risk Response

We formulate differentiated response strategies for risks of different levels. For unacceptable high risks, we adopt systematic measures such as strengthening security controls, risk transfer, or risk avoidance; for low risks, we control them through continuous monitoring and appropriate management to ensure rational resource allocation and effective risk control.



Risk Monitoring

We have established a routine risk monitoring mechanism to track the effectiveness of control measures implementation. Through weekly log audits, we continuously monitor key security indicators and dynamically optimise our strategies. In response to new risks and major security incidents, we promptly conduct risk reassessments to ensure residual risks remain controllable, and continuously improve our information security management system.

Metrics and targets

ETEK has established clear management metrics and performance targets in the areas of data security and privacy protection, and systematically promoted the development of an information security and compliance system. By continuously improving the management and control mechanisms and strengthening technical protection, our data protection capabilities are effectively enhanced.

Information Security Objectives	Progress During the Reporting Period	Achievement Status
No major information security incidents occur	No major information security incidents occurred	Achieved

During the Reporting Period

- Information security training conducted: **4** sessions
- Number of participants in information security training: **40**
- Duration of information security training: **4** hours
- Attack-and-defence drills conducted: **1**

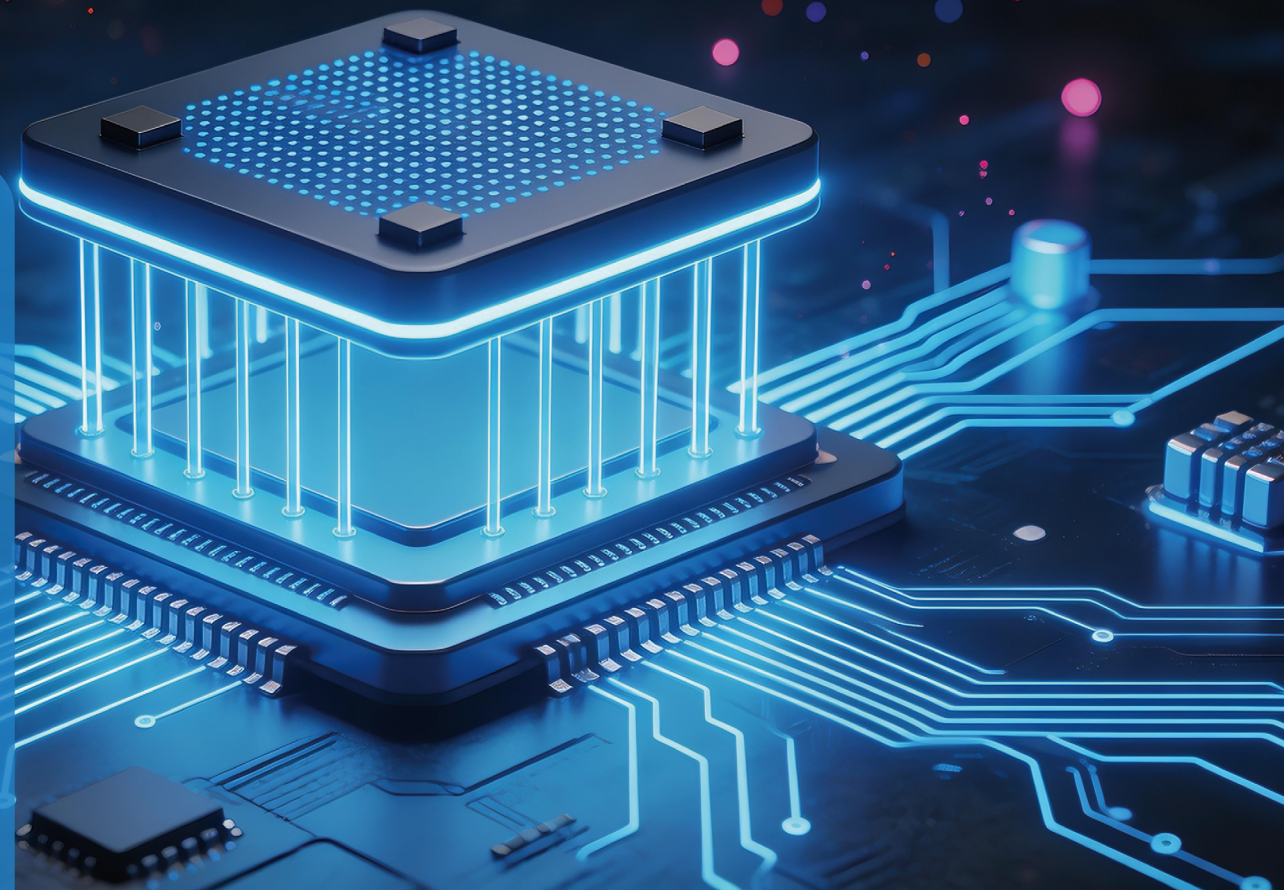


Level 2 Data Management Capability Maturity Certificate

03

ETEK Moves Towards a Future Led by Green and Low-Carbon Development

Green and low-carbon development has become a global consensus and an urgent requirement for the development of the times. Against the backdrop of the national "Dual Carbon" strategy, ETEK has upheld a long-term development philosophy, steadily advanced the low-carbon transition of our own business, and created lower-carbon, more environmentally friendly products and services for customers. At the same time, we proactively tackle climate change, continue to strengthen environmental management, explore pathways for water resource and waste recycling and reuse, enhance resource-use efficiency, and advocate that all employees practise low-carbon and environmentally friendly actions, thereby effectively supporting the green and low-carbon transition and development of society as a whole.



Material topics addressed

- Climate Change Tackling
- Environmental Compliance Management
- Pollutant and Waste Management
- Energy Usage
- Water Resources Usage
- Circular Economy

UNSDGs

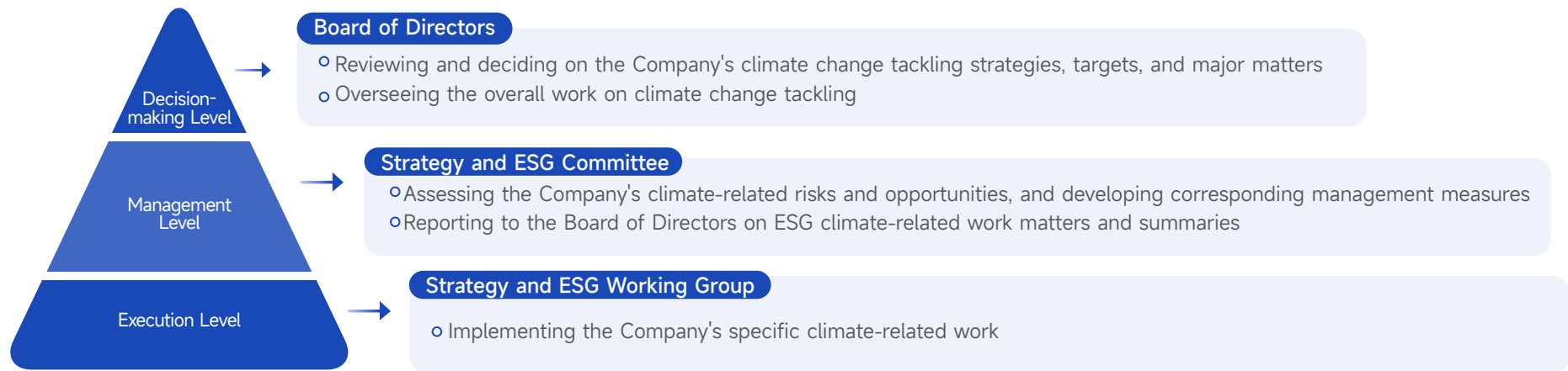


// Climate Change Tackling

In recent years, climate change has been a major challenge jointly faced by the world, and proactively implementing climate policies and carrying out climate actions have become an industry-wide consensus. ETEK is acutely aware of the significance of climate-related risks and opportunities to business operations, and proactively responds to the impacts of climate change through measures such as green operations and the research and development of green products. The Company improves its climate governance system, integrates green development throughout the entire process, continuously enhances climate adaptation capabilities and business resilience, and empowers the low-carbon development of the industry through technological innovation.

Governance

Relying on its sustainable development governance structure, the Company has established a three-tier climate change governance system comprising the Board of Directors, the management level, and the execution level, clarifying the core responsibilities of each level in climate-related risk identification, response, and information disclosure. This has formed a climate-related risk prevention and control mechanism featuring top-down coordination and clearly defined powers and responsibilities, enhancing the proactiveness and standardisation of climate action and ensuring the efficient implementation of relevant work.



Strategy

Climate change may pose risks to the Company's business activities, including the frequency of extreme weather events, which may affect our operations and employee safety. Climate change has also prompted the Company to explore potential innovation opportunities in the research and development of technologies and process optimisation. Taking into account the characteristics of the semiconductor industry as well as our medium- and long-term development strategy, the Company has formulated and implemented multi-tiered corporate strategies and internal management measures focused on both mitigating and adapting to climate change. We have preliminarily identified the potential impacts of climate change-related risks on the Company's finances and, within the existing operational management framework, have adopted corresponding risk response measures to enhance the overall resilience of the business and its sustainable development potential.

○ Identification of Climate Change Risks

Risk Type	Potential Risk Analysis	Impact Timeframe	Financial Impact	Response Strategies
Physical risks resulting from climate change				
Acute risks (increase in extreme weather events caused by climate change, such as typhoons and floods)	Operating sites located in coastal areas such as Wuxi, Shanghai, and Shenzhen, as well as partnered wafer fabrication plants and packaging and testing plants in the supply chain, may experience delays in chip design and R&D progress, supply chain production disruptions, or impediments to logistics and transportation due to extreme weather, directly affecting the delivery cycle of core products such as power management chips.	Short/Medium term	Operating costs + Asset value - Operating revenue -	We inspected and reinforced office facilities, developed emergency response plans, and strengthened monitoring of extreme weather forecasts to ensure a rapid response; We optimised logistics plans, selected partners with emergency transport capabilities, and ensured the transportation of chip samples and finished products.
Chronic risks (such as rising average temperatures and sea-level rise)	Rising temperatures will increase demand for water supply and cooling, resulting in higher energy consumption; increased energy loads will intensify pressure on power lines and shorten equipment service life.	Long term	Operating costs + Asset value -	We conducted regular inspections, testing, and maintenance of existing equipment to ensure stable operation. For new projects, we selected and procured low-energy-consumption equipment.
Transitional risks resulting from climate change				
Policies and laws	Global and domestic climate-related regulatory requirements have become increasingly stringent. We need to continuously monitor compliance developments; failure to adapt promptly to the latest regulations may result in non-compliant information disclosure and affect compliant operations.	Short term and medium term	No material impact	Compliance reviews were implemented by the Strategy and ESG Committee and the Strategy and ESG Working Group; In accordance with international standards and domestic regulatory requirements, we continued to disclose our climate change response in the ESG report.
	Stricter domestic and international greenhouse gas control requirements, including carbon footprint management for exported products, have imposed higher standards on corporate emission reduction and emissions management.	Medium term, long term	Operating costs +	We promoted emission reduction initiatives and enhanced emissions management at both the organisational and product levels.
Technology	Product technology innovation is increasingly oriented towards high performance, environmental friendliness, and low carbon emissions, which increases R&D costs while also raising the difficulty of R&D.	Long term	R&D costs +	We increased R&D expenses and talent pool, carried out industry-academia-research collaboration, and proactively developed products with high performance, low-carbon and green innovative concepts.
Market	Market customers' preferences are gradually shifting towards power control chips with higher energy efficiency and better energy-saving performance.	Long term	Operating costs + Operating revenue -	We promoted the development of green products, and integrated sustainability concepts into the Company's business operations. At the same time, we increased green and low-carbon requirements for upstream suppliers' products.
Reputation	Stakeholders have increasingly high expectations of corporate environmental responsibility, and the occurrence of negative environmental incidents would damage the corporate brand image.	Long term	Operating costs + Operating revenue -	We actively participated in environmental protection activities, and continuously strengthened environmental information disclosure and showcased our achievements through ESG reports, official WeChat accounts, and other channels, thereby enhancing our corporate image.

○ Identification of Climate Change Opportunities

Opportunity Type	Potential Opportunity Analysis	Impact Timeframe	Financial Impact	Countermeasures
Product and service	Develop high-performance, high-quality chip products to meet market demand in high-end fields such as artificial intelligence and the IoT.	Medium/ Long term	Operating revenue +	We increased R&D expenses, and designed power management ICs with lower power consumption and higher efficiency; We established laboratories, and strictly implemented management of product reliability testing.
Changes in market demand	Energy conservation, carbon reduction, and sustainability have become important development trends across all industries, and market demand for green, low-carbon products and solutions is increasing.	Short term, medium term or long term	Operating revenue +	We strengthened the green and low-carbon attributes of our products, expanded our customer base, and captured market opportunities by developing ultra-low power consumption and high energy conversion efficiency products.
Supply chain resilience	While strengthening our capability to respond to climate change risks, we proactively empower and guide supply chain partners to carry out climate actions, jointly enhancing the overall resilience of the industrial chain.	Medium term, long term	Operating revenue +	We built a dual system of "Green Supply Chain + Technological Resilience", prioritising the selection of low-carbon and compliant wafer, packaging and testing suppliers, continuously iterating core green chip technologies, reducing the impacts of climate-related risks, and enhancing the enterprise's overall risk resilience.

Impacts, risks and opportunities management

EOTEK recognises that climate-related risks and opportunities would become an important part of corporate risks, incorporates climate change tackling measures into its long-term development strategy, includes climate-related risk assessment into the corporate business continuity risk management process, regularly identifies and assesses climate-related risks and opportunities that may affect business operations, and has formulated appropriate response measures. We have preliminarily identified physical risks and transition risks arising from climate change, and climate-related opportunities. To optimise resource allocation, we actively evaluate the identified climate change risks and formulate effective management measures to ensure that the identified climate change risks are effectively controlled.

○ Climate-related Risk and Opportunity Management Process

Identification of Climate-related Risks and Opportunities



In accordance with climate-related guidelines, and based on internal and external conditions, the industry, and our actual circumstances, identification is conducted across three key dimensions: physical risks, transition risks, and climate opportunities, with a primary focus on coverage.

Impact Analysis of Climate-related Risks and Opportunities



For the various risks and opportunities identified, we assess their potential impacts on our chip R&D, supply chain delivery, and long-term development from the perspectives of business operations, financial performance, and others.

Responses to Climate-related Risks and Opportunities



Based on the analysis results, we make targeted adjustments to our strategies and formulate response measures, proactively seize climate opportunities, and ensure that risks are controllable and opportunities accessible.

Metrics and targets

ETEK actively responds to the national "3060" strategy and strives to promote our own green development and drive the industry's green and low-carbon transition. The Company has set carbon reduction targets in step with national efforts to achieve carbon peaking and carbon neutrality. The Company relies on its internal carbon emission monitoring platform and follows international standards such as ISO 14064, ISO 14067, and ISO 14040 to continuously quantify and monitor carbon emissions. Strategic directions are adjusted in a timely manner based on data analysis.

Metric	Unit	2025	2024
Scope 1 GHG emissions ^①	tCO2e	90.62	100.78
Scope 2 GHG emissions ^②	tCO2e	1,061.29	1,036.94
Total GHG emissions within the operational boundary	tCO2e	1,151.91	1,137.72
GHG emission intensity within the operational boundary	tCO2e/RMB million revenue	1.50	1.44

① emission factors for gasoline, natural gas, and liquefied petroleum gas are sourced from the National Greenhouse Gas Emission Factor Database.

② GHG emissions are calculated based on the National Greenhouse Gas Emission Factor Database issued by the Ministry of Ecology and Environment. The average CO₂ emission factor for electricity in Jiangsu Province is 0.5827 kgCO₂e/kWh.

Environmental Compliance Management

Environmental management systems and policies

The Company continues to improve the development of its environmental management systems, and strictly complies with the requirements of relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*. It has formulated and implemented management policies, including the *Identification and Assessment Procedures for Environmental Factors and Environmental Incidents*, and deeply integrated the green and low-carbon concept into corporate operations and strategic planning.

The Company has established a management structure under which the General Manager is the primary person responsible, and all departments collaborate in implementation, continuously enhancing the level of green operations. The Company develops targeted emergency response plans and regularly organises employee training, continuously enhancing environmental compliance awareness and risk response capabilities across all employees.

During the Reporting Period, we held the ISO 14001 Environmental management systems certificate, and there were no instances throughout the year of violations of environmental protection laws and regulations or of receiving environmental protection administrative penalties.

Response plan for environmental risk emergencies

In order to respond rapidly to sudden environmental pollution or ecological damage incidents, as well as environmental pollution caused by terrorist incidents, take orderly action, control the situation, handle and dispose of the incident properly, and reduce harm and losses, the Company carries out in depth environmental risk identification and potential hazard inspections, and regularly conducts emergency response training to address various types of emergency environmental incidents that may occur.



ISO 14001 Environmental Management Systems Certificate

Energy Conservation and Emission Reduction

ETEK adheres to the philosophy of green and low-carbon development, integrates energy conservation and emission reduction requirements into the entire process of corporate operations, starts with standardised waste management and efficient resource utilisation, reduces the environmental footprint of production and operations by improving management systems and optimising operational measures, and, at the same time, relies on technological innovation to explore clean technology development opportunities. With two-way efforts of green upgrading on the product side and energy conservation and emission reduction on the operational side, we fulfil our responsibilities for energy conservation and emission reduction, and promote the synergistic advancement of corporate development and ecological protection.

Waste and Pollutant Management

ETEK is a typical fabless IC design company and is not directly engaged in product manufacturing. It therefore basically does not generate industrial waste gas during operations. As a result, the environmental impact from waste and pollutants arising from our operational process is relatively small. However, we still attach great importance to waste and pollutant management, strictly controlling the waste and pollutant discharge in our day-to-day operations, and reducing the environmental impact caused by our own operations.

Waste management

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other relevant laws and regulations, and has established the *Management Regulations on Solid Waste* to ensure compliance in waste disposal and make every effort to minimise impacts on the environment.

ETEK's production and operations basically do not generate hazardous solid waste. Only a small amount of copper-containing waste circuit boards is generated during R&D design and product testing. General solid waste mainly consists of non-hazardous waste such as domestic refuse. The Company attaches great importance to environmental management. The Comprehensive Department and the Operations Department jointly manage waste, and have formulated a hazardous waste emergency contingency plan and an annual training plan. Each department has established solid waste registers, with designated personnel responsible for storage, oversight, and inspection. Compliant waste materials are disposed of through bidding in accordance with relevant regulations, ensuring that the entire process for solid waste is standardised and compliant.

Waste Type		Measures
Non-hazardous waste	Domestic waste, spent pen refills, kitchen waste, etc.	We established designated waste storage areas equipped with features such as rain-proofing, leak prevention, spill containment, and loss prevention, and strictly stored non-hazardous solid waste in accordance with regulatory requirements Domestic solid waste was uniformly collected and treated by the industrial park Household hazardous solid waste was specially treated by qualified entities
Hazardous waste	Copper-containing waste circuit boards, discarded ink cartridges, etc.	Recycling was arranged centrally by the Comprehensive Department and handed over to entities with the requisite treatment qualifications for processing. We strictly implemented the Measures for the Management of Hazardous Waste Transfer Forms, filled out the transfer forms accurately, and reported them in a timely manner to environmental authorities, ensuring data accuracy, consistency, and traceability

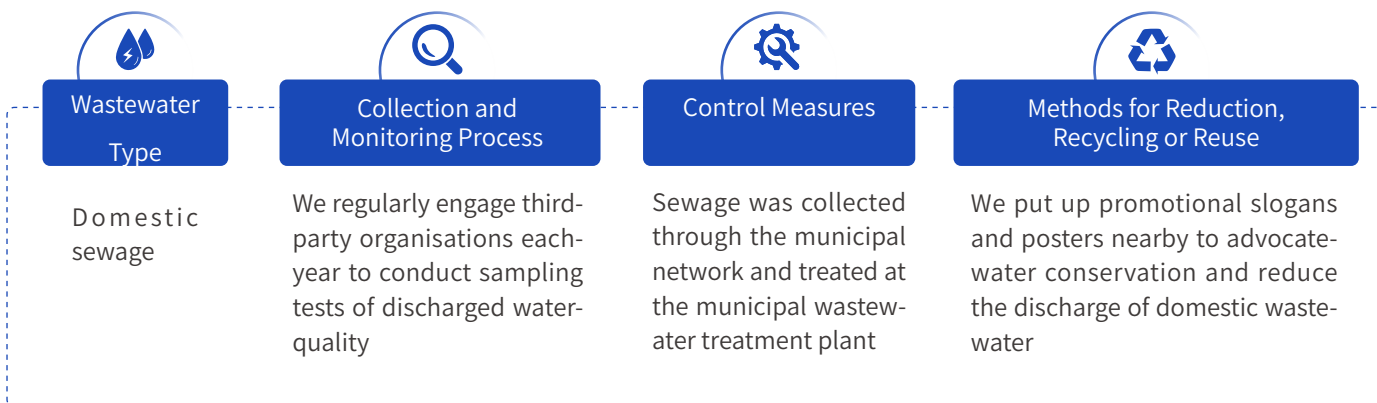
○ Waste Discharge and Consumption Status

Metric	Unit	2025	2024
Volume of non-hazardous waste generated	Tonne	6.80	6.20
Volume of hazardous waste generated	Tonne	0.01	0.159
Total waste discharged	Tonne	6.81	6.359
Total recycled and reused waste	Tonne	2	1.159
Total waste discharged per RMB million of revenue	Tonne/RMB1 million	0.01	0.01

Wastewater management

The main source of the Company's water use is domestic water. The Company strictly complies with *the Integrated Wastewater Discharge Standards and the Wastewater Quality Standards for Discharge to Municipal Sewers*. We have also formulated the Management Regulations on Wastewater Discharge to implement standardised control over all types of wastewater and sewage. To ensure compliance with wastewater quality discharge standards, our wastewater is discharged in accordance with regulations via the industrial park's domestic wastewater pipelines, thereby ensuring environmental compliance. The Company regularly engages professional agencies to carry out wastewater testing and issue reports, ensuring that water resource management complies with relevant requirements, and progressively promotes reductions in pollutant discharges and improves the recycling and reuse rate.

Wastewater Management



Water Quality Monitoring Report

Noise management

The Company strictly implements the Class III requirements of the *Emission Standard for Industrial Enterprises Noise at Boundary* and formulated the *Management Regulations on Noise Emission* to manage internal and external noise pollution. To ensure effective noise control, the Company regularly monitors noise-polluting equipment and external noise sources. The Company regularly commissions a higher-level testing organisation to conduct noise monitoring, and carries out servicing and maintenance of the relevant equipment to reduce noise impacts and ensure compliance with environmental protection requirements.

Noise Management

Noise Sources	Collection and Monitoring Process	Control Measures
Noise from the Company's equipment operations	The Comprehensive Department monitors and records noise	<ul style="list-style-type: none"> We carried out technical modifications to noise-generating equipment and performed regular maintenance and servicing For new projects, we gave priority to low-noise equipment with low pollution
Noise from areas adjacent to the plant site	A superior testing organisation is engaged to conduct noise testing for the areas adjacent to the plant premises	<ul style="list-style-type: none"> High-noise production sites adjacent to residential areas must have enclosed hoarding



Noise Monitoring Report

Optimisation of Resource Usage

ETEK attaches great importance to energy and resource management, and strictly complies with the *Energy Conservation Law of the People's Republic of China*, *the Water Law of the People's Republic of China*, standardising the use of energy and water resources. Through a systematic management model, we continue to promote technology upgrades, optimise energy use, and improve resource usage efficiency.

A resource conservation management system has been established, led by the General Manager and executed collaboratively by all departments. Responsibilities are clearly defined to ensure implementation. Through a systematic evaluation mechanism, we regularly monitor energy consumption, continuously optimise management strategies, and improve resource efficiency.

○ Energy and Water Resources Management Structure



Managing and supervising the Company's energy and water resources, regularly organising energy-saving training, and promoting best practices in energy conservation.



Consolidating the Company's overall energy consumption data, formulating energy conservation targets, and submitting them to the General Manager for approval.



Analysing energy usage and providing data support to optimise energy conservation objectives.

Energy management

The Company strictly complies with the *Energy Conservation Law of the People's Republic of China*. We have established an efficient energy management system and designated the Comprehensive Department as the responsible department for the Company's energy management. By improving the energy management system and optimising energy use processes, we steadily advanced the implementation of energy-saving and consumption-reduction targets. In strict accordance with relevant rules and regulations, the Company carries out regular maintenance and upgrades to office facilities and equipment, actively introduces advanced energy-saving technologies and equipment, and comprehensively improves energy usage efficiency.

The Company's energy consumption mainly comprises petrol and purchased electricity, used for the Company's daily operations. In response to these energy consumption characteristics, the Company has formulated and implemented a series of energy conservation measures to improve energy usage efficiency.

Strengthening the Management System	<ul style="list-style-type: none"> ◦ We have established a centralised energy management system to monitor energy consumption in real time. Through in-depth data analysis and optimisation, we continuously enhance energy usage efficiency. ◦ We have strengthened equipment life-cycle management, clarified equipment use standards, established a regular inspection mechanism, and promptly advanced the replacement and upgrading of inefficient equipment.
Implementing Energy-Saving Technology Upgrades	<ul style="list-style-type: none"> ◦ We have introduced energy-saving equipment, such as selecting transformers with lower no-load loss (iron loss) and load loss (copper loss) and higher efficiency, to reduce energy losses.
Raising Energy Conservation Awareness	<ul style="list-style-type: none"> ◦ We have conducted education and training on energy conservation and environmental protection, incorporating energy conservation and emission reduction knowledge and operational requirements into routine training programmes. Regular awareness campaigns were carried out to enhance employee participation and practical capabilities.

Energy Consumption

Metric	Unit	2025	2024
Gasoline	Tonne	28.99	32.14
Purchased electricity	10,000 kWh	182.13	173.46
Total energy consumption	tce	266.77	260.99
Energy use intensity	tce/RMB million revenue	0.3471	0.3314

Water resources usage

The Company has established and improved a routine water management mechanism. Based on the use characteristics of various types of water resources, the Company has scientifically defined recycling pathways and standardised water use behaviour at the policy level to reduce water resource waste. The Company's water resources are primarily sourced from municipal water supply, with water consumption scenarios spanning the full production and operations process, including process water, cleaning water, fire protection water, and employee domestic water use.

To strengthen water resource conservation and efficient use, we have installed flow restrictors on taps in public areas such as pantries and toilets, and promoted the water use practice of taking water as needed and turning off the tap promptly, thereby enhancing water-saving awareness among all employees. In addition, the Comprehensive Department regularly reviews water use and investigates potential risks of water wastage, and, through streamlined and targeted management measures, effectively fulfils our commitments to green and low-carbon development and water resource protection.



Water-Saving Signage

○ Water Resources Consumption

Metric	Unit	2025	2024
Total water consumption	Tonne	4,480.50	4,160
Total water consumption intensity	Tonne/RMB million revenue	5.83	5.28

Green offices

ETEK has consistently integrated the concept of green office practices into its day-to-day operations. Through measures such as refined energy management, reduced paper consumption, and resource recycling, we have continued to reduce the environmental footprint of office operations, supporting the achievement of our corporate sustainable development goals.

In terms of energy management, we strictly implement the air-conditioning temperature setting standards. During summer, the air-conditioning temperature is set at no lower than 26° C, and during winter, no higher than 20° C. We have installed prominent energy-saving signage in office areas to remind employees to pay attention to energy conservation. The Company has established a sound electricity management system, promoted refined electricity use management in office areas, and achieved paperless office operations, thereby reducing energy consumption and carbon emissions at source.



Projection for Paperless Office



Power-Saving Signage



A/C Temperature Not Lower Than 26° C

Clean Technology Opportunities

ETEK has integrated the concept of clean technology throughout the entire process of product R&D, production and operations, and industrial collaboration, with semiconductor technology innovation at its core, driving green and low-carbon development. Relying on our technological strengths in power management, signal chains and analogue chips, we upgraded to high energy-efficiency and low power-consumption products, reducing end-user energy consumption and environmental burden at the source. During operations, the Company deepens the application of clean technology such as energy conservation and consumption reduction, and resource recycling and reuse, enhancing greening and sustainability. Through technological empowerment and practical implementation, ETEK supports downstream industries and the industrial chain in achieving energy conservation and consumption reduction, and the efficient use of resources, thereby continuously creating environmental and social value.

Green products

ETEK has been actively developing high-energy-efficiency, low-power products for the green and low-carbon transition. These products can be widely applied in consumer electronics, industrial control, and IoT devices, effectively reducing the operating power consumption and standby losses of end devices. By improving power conversion efficiency and optimising power consumption management, we help customers reduce energy consumption and support the achievement of society-wide carbon emissions reduction targets.

Reduced use of raw materials

The Company applies the principles of streamlining and intensive utilisation from the chip design stage. Through advanced packaging technologies and system-level optimisation, we have achieved higher performance integration within a smaller footprint, reducing the use of silicon materials and packaging materials per unit product. Meanwhile, the Company continued to promote material recycling and waste management in the production process, reducing resource dependence and material waste in production at the source.

Case Highly integrated power management integrated circuits (PMICs)

It is a power management IC designed specifically for compact devices such as cameras. Simplifying circuit design and reducing the number of components, it reduces the consumption of raw materials such as tin, copper, and plastics at the source. Large-scale application helps alleviate resource pressure across the industrial chain and promotes the electronics manufacturing industry towards more sustainable development.



Circular economy

The Company actively practices the circular economy philosophy and promotes internal resource recycling management to drive an efficient and low-carbon operating model. Through maintenance and reuse initiatives, equipment such as fans, UPS units, motors, and IGBTs is repaired to maximise component reuse and reduce resource waste. The Company encourages the conservation of office resources by collecting used batteries, setting up a reused paper collection point, promoting paper recycling, defaulting printers to double-sided printing, and reducing colour printing to improve resource utilisation efficiency.



Use of Recycled Paper

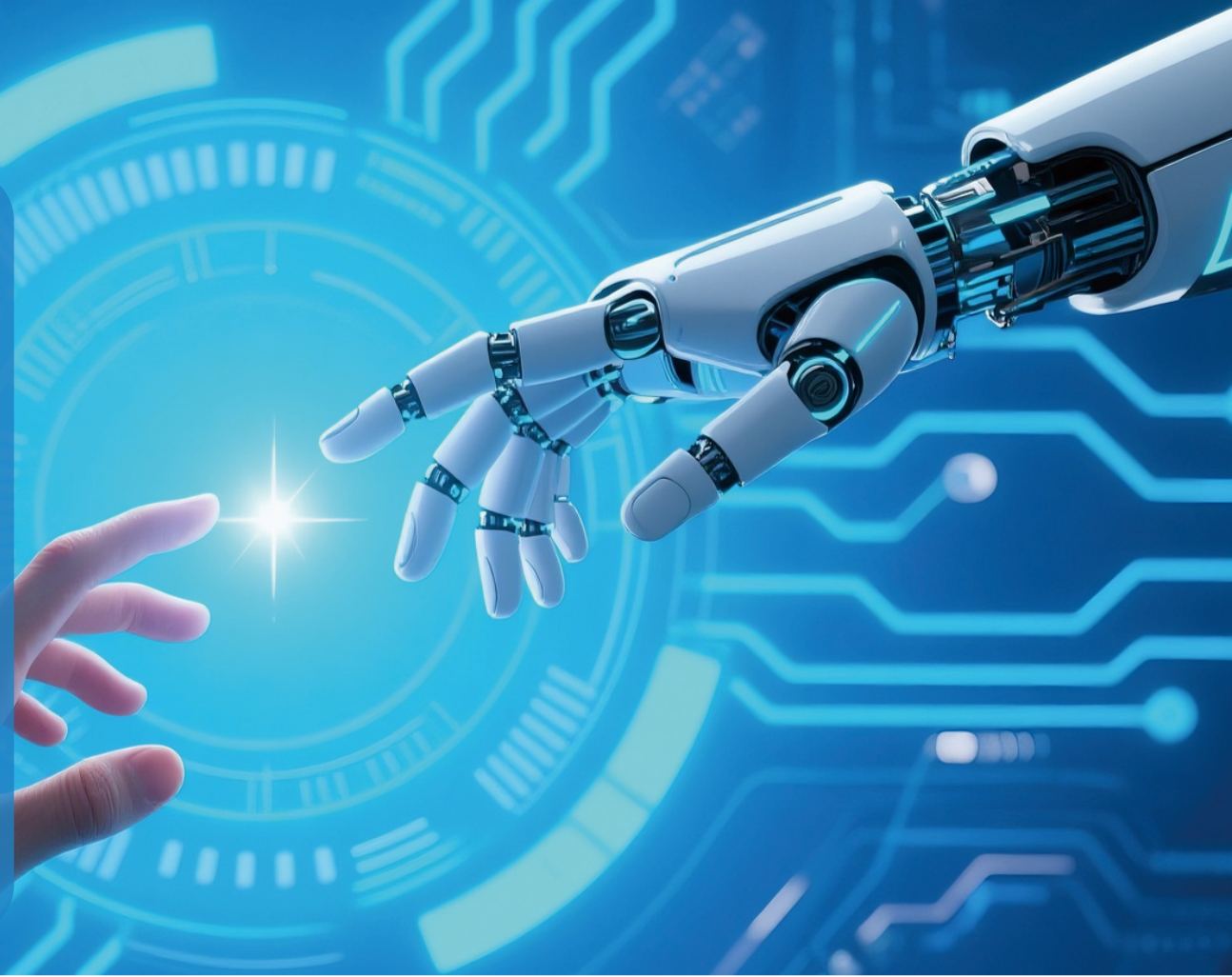


Used Battery Recycling

04

ETEK Pools Strength to Achieve Win-Win Development

ETEK upholds the core philosophy of people-centredness and is committed to building an ecosystem that achieves comprehensive win-win outcomes for employees, the industry, and society. In terms of employee management, we continue to strengthen safety and occupational health management, focusing on fostering a safe, mutually supportive, and harmonious working environment. The Company attaches importance to employees' career development, and has established clear promotion pathways to facilitate employees' growth and development. In terms of social responsibility, we uphold the purpose of delivering love and hope, proactively strengthen communication and cooperation with the community, support rural revitalisation, and promote common social development.



Material topics addressed

- Protection of Employee Rights and Interests
- Occupational Health and Safety
- Career Development and Training

UNSDGs



Protection of Employee Rights and Interests

ETEK has always regarded the protection of employees' rights and interests as a core cornerstone of corporate sustainable development. We strictly comply with the Labour Law of the People's Republic of China and other relevant laws and regulations. Guided by the principles of fairness and inclusiveness, equal rights and responsibilities, and care and empowerment, we have established a full-dimensional rights and interests protection system covering compliant employment, democratic communication, and remuneration and benefits. From improving our recruitment system to eliminate discrimination and strengthening diversified grievance channels, to establishing a scientific remuneration structure and enriching non-remuneration benefits, and further to enhancing incentives for the transformation of technology achievements and caring for employees' physical and mental wellbeing, the Company has comprehensively safeguarded employees' lawful rights and interests and development needs, fostered a workplace ecosystem that respects diversity and is fair, just, harmonious, and mutually beneficial, and supported employees and the Company in growing together in step.

Compliant Employment

ETEK firmly believes that equality and respect are the cornerstone of the employment relationship. Based on our actual operational and development needs, and on the basis of our existing internal policies, we further supplemented and improved the Employee Recruitment Management Policy in 2025, in order to comprehensively ensure the legality and compliance of the entire recruitment process. We have established a sound internal employment management system framework, which systematically regulates the entire process of employee recruitment, onboarding, confirmation of employment, job transfer, and separation. We clearly prohibit the employment of child labour, and have established the "principle of equity" to combat discrimination.

Inclusive recruitment: The Company adheres to the recruitment principle of eliminating barriers and ensuring equal opportunities, and has established a multi-dimensional interview and comprehensive assessment system. With the degree of alignment between job requirements and competency as the core selection criterion, we exclude interference from irrelevant factors such as gender, age, and ethnicity, ensuring that all job applicants enjoy equal opportunities to compete.

Elimination of child labour: We strictly comply with relevant laws and regulations, including the *Law of the People's Republic of China on the Protection of Minors and the Provisions on Prohibition of Child Labour*, and have established the *Procedure for Rescuing Child Labour and Protecting Minor Workers*. We implement rigorous checks at every stage, from CV screening and background verification to hiring approval, to resolutely prevent the employment of child labour and any form of forced labour.

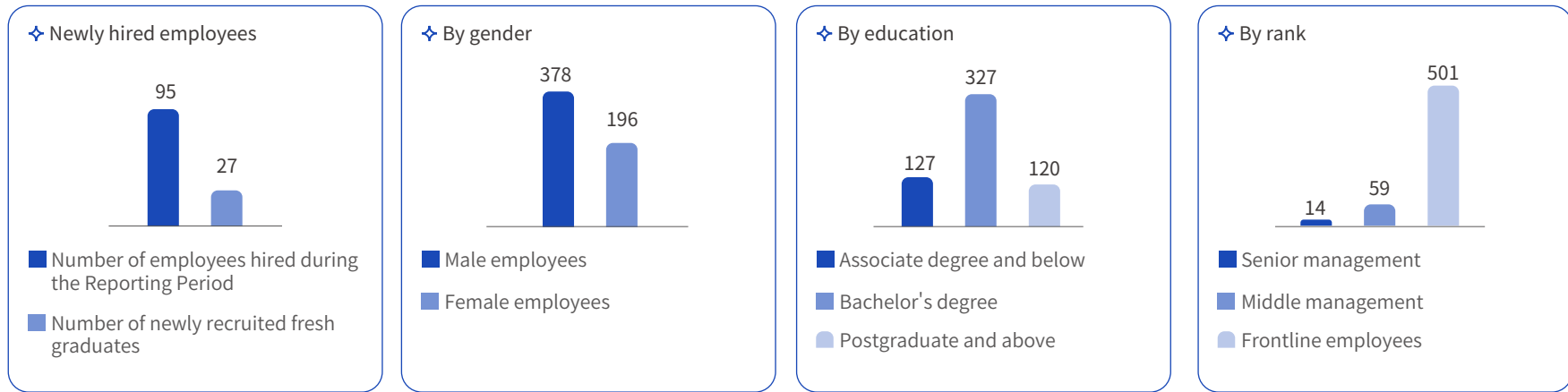
Employee Recruitment and Turnover Rate in 2025

Total number of employees **574**

Proportion of female employees **34.15%**

Number of employee turnover **37**

Employee Turnover Rate **6.03%**



Equity, diversity and inclusion: The Company is committed to fostering a workplace environment that respects diversity and is open and inclusive, and to proactively attracting diverse talent from different backgrounds. Throughout the full employee career development cycle, including recruitment, promotion, and performance appraisal, we explicitly prohibit any form of discrimination and harassment, and eliminate unfair treatment based on factors such as gender, age, ethnicity, and religious belief. We have established the Anti-Discrimination Management Procedures to effectively safeguard the lawful rights and interests of all employees and their career development opportunities.



Gender diversity

All statutory rights and interests of female employees are fully implemented, with practical support provided through the installation of dedicated mother-and-baby facilities, among other measures.



Age diversity

A talent team with diverse age profiles is being built; channels for talent recruitment are continuously broadened to support the inflow of fresh talent; experienced core employees are valued; and an age-diverse talent pipeline is being established.



Ethnic diversity

A respectful and inclusive multicultural atmosphere; we proactively recruit employees from different ethnic backgrounds, stimulate diversified thinking and innovation vitality within the team, and ensure that employees of all ethnic groups enjoy equal career development opportunities.

During the Reporting Period

- Male employees accounted for 65.85%, and female employees accounted for **34.15%**
- Ethnic minority employees accounted for **1.74%**
- Employees with disabilities accounted for **0.17%**
- Return-to-work rate after parental leave reached **100%**
- Number of employee discrimination incidents was **0**

Remuneration and Incentives

ETEK employs a hybrid compensation model that combines job position, performance, and capabilities to encourage employees to continuously improve their job performance, work results, and personal contributions. At the same time, the Company ensures that compensation aligns with its strategic goals and is closely linked to employees' actual performance through a flexible salary adjustment mechanism.

Compensation structure and components

Base salary: Calculated based on national laws and the Company's specific situation, serving as the foundation for overtime pay.

Job salary: Divided according to employees' job ranks, consisting of a base job salary and a performance-based job salary. The performance salary is allocated based on individual performance evaluations.

Allowances: Including seniority allowance, attendance allowance, high-temperature allowance, night shift allowance, and others. These are determined based on the employee's position and work conditions.

Bonuses: Comprising individual rewards and year-end performance bonuses.

**Salary
adjustment
mechanism**

Annual adjustments are made based on the Company's economic performance, labour costs, and strategic planning, as well as considering employees' job positions, performance, and development potential. Immediate adjustments are made for employees based on work performance, position changes, and personal contributions.

**Performance
evaluation
and incentive
mechanism**

Incentives are divided into three categories: commendation, merit citation, and promotion. Rewards are granted to employees who demonstrate outstanding performance in safeguarding the Company's reputation and excelling in task completion, cost saving and innovation, and the protection of the Company's property.



 Care for Employees

Upholding a people-centred management philosophy, the Company integrates care for employees into corporate culture development. Drawing on dimensions including physical and mental health, family support, and cultural enrichment, the Company has built a comprehensive, multi-tiered employee care system to create a warm, harmonious, and inclusive working environment for every employee.

Employee benefits

To fulfil our corporate social responsibility and enhance employees' sense of well-being and belonging, ETEK, in addition to its compensation and performance system, has established a comprehensive, multi-tier non-monetary benefits assurance system. This system focuses on employees' full-scenario needs across work and life, providing all-around care and support for employees and their families.

○ In terms of statutory benefits protection

the Company strictly complies with relevant national and local regulations by paying pension insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance, and housing provident fund contributions for all employees, effectively fulfilling its responsibilities as an employer and safeguarding employees' basic rights and interests.



○ In terms of care

the Company is committed to promoting the holistic well-being of our employees, encompassing both physical health and cultural fulfilment, cultivating an inclusive corporate culture through diverse employee care initiatives, such as festive celebrations, birthday parties, and tailored benefits for female employees. We strengthen team cohesion through team-building activities, improve dining benefits to safeguard employees' day-to-day meals, and, in conjunction with health check-ups, annual travel and other initiatives, help employees maintain a good physical and mental condition.



○ In terms of incentives and special care

the Company has provided housing allowances and other essential living benefits, and also set up honours and material incentives such as the Best New Product Award, Outstanding Employee Awards, and Invention Patent Awards, recognising employees' innovation achievements and work performance. For communities with special needs, we provide targeted support such as subsidies for persons with disabilities, demonstrating the Company's humanistic ethos and sense of social responsibility.





Birthday Celebration



Badminton Game



Taiqing Friendship Basketball Game



Travel



Annual Commendation Meeting



Shenzhen Subsidiary Relocated to New Premises



Hiking



Medical Examination Reports



Shanghai Subsidiary's Team-Building Event

Care for women

ETEK always regards safeguarding the rights and interests of female employees and empowering women's career development as a core corporate social responsibility practice. Through a sound institutional system and caring, heart-warming initiatives, we have built an inclusive and equal workplace environment.

The Company has formulated dedicated policies such as Management Procedures for Female Employee Protection, fully implementing statutory rights, including maternity check-up leave, maternity leave, breastfeeding leave, and parental leave. It clarifies that female employees' wages and bonuses will be paid as normal during childbirth, ensures their smooth return to their original positions after childbirth, and eliminates concerns about career development. Meanwhile, the Company has set up a caring mother-and-baby room in the office area to provide female employees during breastfeeding with a private, warm, and comfortable space for breastfeeding and rest, effectively addressing childcare challenges in the workplace.

The Company has long practised the concept of care for women. The Women's Day benefits have become a normalised mechanism: not only are customised shopping cards distributed to all female employees, but, if it falls on a working day, they can also enjoy a half-day of paid leave. Through these flexible and heart-warming dual benefits, we convey respect for the festival and the Company's warmth, enabling women's strength in the "chip" era to receive full respect and support at the Company.

Democratic Communication

ETEK attaches great importance to the protection of employee rights and interests. Through system development, we have strengthened the protection of rights and interests, formulated the *Management Procedures for Employee Feedback, Suggestion, Grievance Handling and Response*, established a standardised employee grievance and complaint mechanism, and clarified that the Comprehensive Department and management representatives take the lead in coordinating and managing complaint matters. To ensure smooth communication channels and enhance employees' sense of participation, the Company has established multiple democratic communication pathways, such as complaints by letter and complaints made through direct face-to-face meetings. This fully mobilises employees' initiative, encourages employees to actively participate in corporate operations and management, and supports our decision-making in steadily advancing towards a more scientific and democratic approach.

○ Diverse grievance channels

Written Correspondence Channel

Employees may submit appeals in the form of letters by posting them in the Company's designated suggestion boxes. The relevant departments will respond to the appeal within seven working days from the date the boxes are opened.

Department Channel

Employees may submit complaints in person directly to the management personnel of their department. The management personnel will provide an immediate response based on the urgency and complexity of the request.

Representative Channel

Employees may communicate their opinions or suggestions to employee representatives. Within seven working days from the date on which the employee-representatives formally relay the relevant concerns to the Comprehensive Department, the corresponding responsible department will provide a clear response.

Complaint handling and feedback

The Company's responsible department shall respond to all complaints on the spot or within five days, in written form using the *Employee Complaint Handling Record*. The Employee Complaint Handling Record, after being drafted, shall be reviewed by the department manager and submitted to the Comprehensive Department for verification as to whether the content of the response complies with the relevant provisions and regulations. After passing verification, it shall be submitted to the General Manager for signature. Depending on the circumstances, the Company will decide whether to post the *Employee Complaint Handling Record* on the notice board or deliver it to the complainant in person.

The Comprehensive Department summarises and archives the comments and suggestions collected each year, and selects those who proposed constructive suggestions that were adopted, as well as those who have made contributions by offering advice and recommendations for the Company's development. At the year-end gala, appropriate material rewards are given to the selected individuals mentioned above, thereby continuously motivating employees' enthusiasm and initiative in participating in corporate management.

Employee satisfaction surveys

The Company regularly conducts employee satisfaction surveys and, at the end of each year, carries out a comprehensive annual satisfaction survey to systematically collect employees' feedback and opinions on aspects including the working environment, career development, remuneration and benefits, and management mechanisms. In response to improvement areas identified through surveys, the Company organises relevant departments to formulate action plans and follow up on implementation, translating employee voices into concrete management improvement measures.



During the Reporting Period

- In 2025, the overall employee satisfaction rate reached **93.26%**.

Career Development and Training

EOTEK regards employees' career development and training as a core pillar supporting its sustainable development. Upholding the philosophy of being people-centred and empowering growth, the Company has established a systematic, multi-level, whole-cycle training and development system, helping employees and the business to grow together and providing sustained impetus for the implementation of its strategy and technological innovation.

Governance

ETEK has established a governance system for vocational training and development with clearly defined responsibilities and authorities and standardised procedures, providing a robust institutional safeguard for the orderly advancement of all work. With the *Training Management Policy and the Selection, Development, Employment and Retention Mechanism* as the core, the Company supplemented, revised and improved the Training Policy in 2025, and concurrently formulated the *Personnel Competency Matrix Assessment Mechanism and the Employee Promotion and Transfer Management Policy*, thereby establishing a closed-loop system covering all stages of training management, competency assessment and promotion and development, ensuring that training and development work is carried out in accordance with established rules and in a standardised manner.

To further identify the impacts, opportunities and related risks of career development and training on the Company's talent pipeline building, and to enhance organisational core competitiveness and talent resilience, ETEK continues to track trends in industry talent demand, directions of technological iteration and organisational development objectives. We systematically analyse risks and transformation opportunities relating to talent development, pipeline building and incentive mechanisms, and formulate targeted response strategies covering the optimisation of the training system, the improvement of promotion pathways and the retention of core talent, striving to fully translate talent development potential into momentum for the Company's sustainable growth.

Management Level

Responsible for approving the annual training plan and major promotion matters, overseeing the implementation of the training and development system, and ensuring the use of relevant resources.

Comprehensive Department

Coordinate and oversee company-wide training and career development, take the lead in compiling the Summary of Annual Training Plans, and be responsible for the formulation and revision of policies, integration of training resources, evaluation of training effectiveness, and the organisation of employee promotion review, among other tasks.

Business Departments

In alignment with job requirements and business development plans, propose training needs, collaborate in conducting departmental internal training and job skills training, and participate in employee competency assessments and promotion recommendations.

Strategy

○ Risk Identification and Response for Career Development and Training

Risk Type	Description of Potential Risk	Impact Timeframe	Financial Impact	Countermeasures
Risk of talent development	The training content is misaligned with business needs, resulting in a waste of resources and employee capability development that does not match our strategy; insufficient core technical talent pool constrains R&D and market expansion; inadequate transparency in the promotion mechanism-gives rise to employees' sense of unfairness.	Medium term, and long term	Operating costs + Talent turnover rate + Core competitiveness -	We established a dynamic mechanism to research training needs, and tailor courses in line with business directions such as technology-R&D and market expansion; set up a core talent pipeline reserve plan, and accelerated talent development through industry-academia-research collaboration and an internal mentoring system; disclosed promotion criteria and processes, and conducted quantitative assessments based on the Personnel Competency Matrix Assessment Mechanism.
Risk of talent retention	Intense industry competition led to the loss of key technical talent, affecting the continuity of R&D and the accumulation of technological achievements. The incentive mechanism lacked attractiveness, making it difficult to motivate core employees to commit to long-term service.	Long term	R&D cost + Risk of talent retention+	We improved incentives for the transformation of technology achievements and the remuneration and benefits system, directly linking training outcomes to promotion and remuneration. We strengthened corporate culture development and enhanced employees' sense of belonging through team-building activities and the development of career pathways. We established an early-warning mechanism for the loss of key talent, and promptly optimised retention strategies.
Risk of training implementation	A single training format resulted in low-employee participation and made it difficult for training outcomes to be effectively implemented; insufficient cross-departmental coordination in training affected the enhancement of the organisation's overall capabilities.	Medium term	Return on training efforts -	We adopted diversified training formats combining internal and external training, with complementary online and offline delivery, incorporating hands-on drills and project-based practice. The Comprehensive Department coordinated cross-departmental training needs in an overarching manner, established a closed loop for training effectiveness assessment and feedback, and incorporated assessment results into employee performance.

○ Identification and Response to Career Development and Training Opportunities

Opportunity Type	Description of Potential Opportunity	Impact Timeframe	Financial Impact	Countermeasures
Talent efficiency enhancement opportunity	A systematic training and career development system can enhance employees' professional capabilities and work efficiency, strengthening R&D innovation and market responsiveness; the retention of key talent can accelerate the transformation of technological achievements, thereby building a competitive advantage.	Medium term and long term	Operating revenue + Core competitiveness+	We deepened the implementation of the Training Policy and the Selection, Development, Employment and Retention Mechanism, and tailored tiered training programmes for different roles such as R&D and marketing. We optimise talent promotion pathways and provide diversified development routes for technical and managerial talent.
Organisational collaboration optimization opportunity	Cross-departmental training and talent mobility can break down departmental silos and enhance organisational collaboration efficiency; improvements to the employee competency matrix can strengthen organisational agility and support diversified business expansion.	Medium term	Operational efficiency+ Business expansion+	We implemented cross-department job rotation and project collaboration-based training to promote knowledge sharing; leveraged the Personnel Competency Matrix Assessment Mechanism to precisely match talent with business needs, supporting expansion into new fields such as industrial electronics and automotive electronics.
Brand and ecosystem opportunity	A well-developed career development system can enhance our employer brand influence and attract high-calibre talent to join us. University-enterprise cooperative training can integrate university resources and build a collaborative innovation ecosystem spanning industry, academia, and research.	Long term	Talent attraction+ Collaboration opportunities+	We deepened collaboration with higher education institutions such as Southeast University and Beijing University of Posts and Telecommunications to jointly establish talent development bases. We showcased talent development achievements through industry exhibitions and technical exchange activities, and enhanced employer-brand awareness.

Open training platform

ETEK adheres to the principle of hiring people based on both virtue and talent and always views employee training as a crucial strategy for enhancing the Company's core competitiveness. We have established the *Training Management* Policy and offer systematic, tiered, and diverse training to help employees quickly master job-related skills, understand the corporate culture, and continuously improve service levels and management abilities. This fosters the shared growth of both the Company and its employees.

To ensure the systematisation and effectiveness of training, the Company has built a training system that covers all employees, with training categorised by levels. We use performance evaluations, surveys, departmental interviews, and other methods to accurately identify training needs for each position and cultivate well-rounded and outstanding talent.

Management personnel	Technical professionals	Internal auditors of systems	Design, processing, production, and quality control personnel	HR and financial staff
Modern business management theories, organisational decisionmaking skills, and strategic management of the Company and its systems.	Specialized techniques, fundamental theories, and business practice.	System-related knowledge, auditing skills, and system-related laws and regulations.	Refresher training on professional knowledge required for implementing certification systems.	HR and financial knowledge commensurate with their roles.



Performance Management Training



Onboarding Training



Team Building Workshop

Risks and opportunities management

The Company has established a closed-loop mechanism for risk and opportunity management. Focusing on key areas including alignment between training and business needs, talent pipeline development, transparency of promotion mechanisms, and retention of key technical talent, we carried out risk identification and assessment, formulated targeted response measures, and continuously tracked and optimised through approaches such as training effectiveness surveys, reviews of talent pool, promotion satisfaction surveys, and talent mobility monitoring, thereby achieving a positive interaction between risk prevention and control and corporate development.



Risk Identification

1. Training content is misaligned with business needs, resulting in wasted training resources and low employee participation;
2. The development of the talent pipeline lags behind the pace of corporate growth, with an insufficient talent pool for key positions;
3. The promotion mechanism is not sufficiently transparent, which may trigger employees' perception of unfairness;
4. Loss of key technical talent affects corporate technological innovation and business continuity.



Risk Assessment

1. The risk of a misalignment between training and needs is relatively likely to occur, which may result in a low return on training efforts and affect employees' capability enhancement and business advancement;
2. The risk of insufficient core talent pool has a long impact cycle, which may constrain the Company's long-term development;
3. Risks relating to the transparency of the promotion mechanism may affect employee satisfaction and sense of belonging, thereby affecting team stability;
4. The risk of losing key talent may lead to the loss of technological achievements and increase recruitment and training costs.



Risk Response

1. We strengthen the comprehensiveness and accuracy of training needs assessments, establish a dynamic matching mechanism between training content and business needs, and regularly update the curriculum;
2. We clarify promotion requirements and assessment criteria, disclose promotion processes and results, and ensure that promotions are fair, just, and transparent;
3. We improve the incentive mechanism by linking training outcomes to promotion and remuneration, enhancing key-technical talent's sense of belonging and fulfilment, and reducing the risk of turnover.



Risk Monitoring

1. We regularly conduct surveys on training effectiveness, collect employees' feedback on training content and format, and assess the alignment between training and needs;
2. We conduct quarterly reviews of progress in talent pipeline development, analyse the talent pool for core positions, and promptly adjust development strategies;
3. We establish an employee promotion satisfaction survey mechanism to track the transparency and fairness of the promotion process;
4. We continuously monitor the mobility of key technical talent, analyse the reasons for turnover, and optimise talent retention measures.

The Company's end-to-end training process strictly follows the standardised steps of "needs assessment, course customisation, training delivery, effectiveness assessment and records management", ensuring that training is precisely aligned with employees' needs and corporate development objectives:

Needs assessment

We comprehensively collect training needs for different positions and levels through departmental submissions, employee questionnaires, performance analysis and other methods

Course customisation

We develop tailored training programs for different groups, including general employees, professional and technical personnel and middle- and senior-level management personnel

Training delivery

We adopt a combination of internal and external training, complemented by online and offline approaches to carry out regular training

Effectiveness assessment

We evaluate the training effectiveness through various formats such as written examinations, practical operations and project practice. The assessment results are incorporated into the basis for employee performance and promotion

Records management

We establish electronic records for employee training and career development, systematically recording information such as training participation assessment results and competency assessment reports to provide data support for employees' career planning

Metrics and targets

ETEK has established a clear indicator system around vocational training and development, clarifying annual targets and assessment criteria, and continuously improving work effectiveness.



During the Reporting Period

- the number of employees trained reached **704**, with a total duration of **8,500** hours.

Occupational Health and Safety

ETEK strictly adheres to relevant laws and regulations and industry standards, including the *Labour Law of the People's Republic of China* and the *Fire Protection Law of the People's Republic of China*. We have established a comprehensive occupational safety responsibility system and internal management system, and formulated and implemented a series of rules and regulations, including the *Safety Production Responsibility System, Regulations on Safety and Civilized Production, ESD Protection Regulations, Fire Safety Management Regulations, Operating Standards for Hazardous Substance Testing Equipment, and Emergency Preparedness and Response Procedures*, to ensure that the entire process of the Company's production and operations and business management complies with compliance requirements.

The Company has established and improved the responsibility system for safe and civilised production, and continuously optimised employees' workplace and operating conditions. Through measures such as regularly organising internal and external audits, carrying out safety risk assessments, and implementing performance appraisals, we systematically identify and evaluate potential safety risks in production processes, thereby guiding the iterative improvement of risk prevention and control mechanisms and reinforcing the safety production management defence line.

Identification of Hazardous Factors

The Company actively advances the establishment of an occupational health and safety management system by systematically identifying and assessing hazardous factors in the production process, improving safety risk identification and control mechanisms, and implementing preventive measures and continuous improvements. The Company will conduct regular internal and external audits, risk assessments, and performance evaluations to gradually achieve the standardisation, scientific approach, and internationalisation of occupational health and safety management.

The Company is equipped with professional testing equipment, such as XRF spectrometers, to strictly test environmentally controlled substances in raw materials, semi-finished products, and finished products, preventing materials containing prohibited or restricted chemicals from entering the production process, and protecting employees' health and environmental safety. The Company regularly monitors occupational hazards such as noise and dust concentration. Based on the testing reports, the Company conducts risk assessments and implements corresponding protective and corrective measures. Anti-static zones are established in the production workshops, with temperature and humidity controlled within reasonable ranges. Employees are required to wear anti-static wristbands, gloves, shoes, and clothing to ensure the safety of production operations and product quality.

Occupational Health Protection

The Company provides employees in each position with labour protective equipment compliant with national and industry standards, and regularly verifies the effectiveness of the protective equipment and employees' compliance with standard wearing requirements. The Company has established an annual occupational health examination mechanism and, for high-risk operational positions involving high temperatures, dust, chemicals, and noise, additionally implemented special medical examinations and routine health monitoring. In light of actual role-specific risks, we carry out special training on knowledge of occupational disease prevention and control to ensure that employees fully understand the key risk points of their positions and the practical requirements for protective measures.

Safety Emergency Response Plan

We have developed emergency response plans covering scenarios such as fires, power outages, natural disasters, chemical spills, and workplace injuries based on the Emergency Preparedness and Response Procedures, and have established an emergency command organisational structure. The General Manager leads the safety production leadership team, and department heads take direct responsibility for safety management, ensuring the principles of "whoever is in charge should be responsible; whoever executes should follow up."

The Company regularly organises training on operating procedures for hazardous substances, training on the safe operation of equipment, etc. Each department collaborates with the Comprehensive Department to conduct at least one fire drill and other emergency exercises each year, ensuring a rapid and efficient response to emergency situations, including rescue, personnel evacuation, and accident control.



Fire Emergency Drill

Metric	Unit	2025
Total expenses on safety	RMB'0,000	16.36
Major casualty rate	%	0
Safety training coverage rate	%	100
Participants in safety training	/	375
Total safety training duration	Hour	4500
Work injury rate	%	0
Employee health examination coverage rate	%	100
Safety incidents	/	0

// Contributions to the Society

ETEK understands that education is the foundation for stimulating innovation and achieving sustainable development. We firmly believe that the Company's long-term growth resonates in step with society's prosperity and progress. Based on the responsibility philosophy of "Originating from Society, Giving Back to Society", the Company engages in multifaceted and diversified public welfare initiatives, such as empowering rural education resources, university-enterprise collaboration, and industry technical exchanges, with the aim of creating sustained and far-reaching positive value for society. These actions vividly demonstrate how we have built solid trust with our operating locations and broader society, achieving symbiotic and win-win development.

In-depth University-Enterprise Collaboration

ETEK firmly believes that education is the core engine for activating innovation momentum and solidifying the foundation of sustainable development. The Company deeply engages in building a collaborative education ecosystem between enterprises and universities. Through diversified initiatives such as providing financial assistance, establishing dedicated scholarship and award funds, and creating academic exchange platforms, we comprehensively empower the enhancement of university teaching and research, as well as the cultivation of high-level talent, thereby actively fulfilling our responsibility and commitment to education for the public good.

Under the in-depth "School-Enterprise Zero-Distance" cooperation model, in 2025, the Company carried out strategic collaboration with top universities such as Southeast University and Beijing University of Posts and Telecommunications. On the one hand, we opened up our corporate R&D scenarios and workplace practice platform, inviting students to experience our corporate culture and technology R&D processes in an immersive manner, and building in advance a seamless bridge from campus to the workplace. On the other hand, we actively leveraged the cutting-edge academic insights of university professors and experts, promoting resonance between our technological practices and universities' academic research, continuously injecting high-quality external intellectual resources into our employees' holistic development system, and achieving complementary strengths and co-creation of value between schools and enterprises.



A Visit by Southeast University



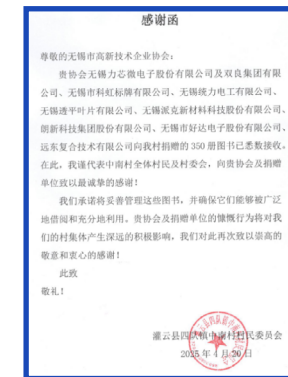
Exchange with the School of Integrated Circuits, Beijing University of Posts and Telecommunications

Rural Revitalisation

In 2025, ETEK remained committed to the responsibility philosophy of "Originating from Society, Giving Back to Society", and thoroughly implemented *Opinions on Achieving Effective Linkage between Consolidating and Expanding the Achievements of Poverty Alleviation and Rural Revitalisation* and related work arrangements. We actively fulfilled our corporate social responsibility and participated deeply in public welfare initiatives in the field of rural revitalisation. Building on our own development strengths, we made targeted efforts in core areas such as improving rural livelihoods and empowering education. Through diversified and pragmatic measures, we continued to support development and capacity building in grassroots rural areas, effectively demonstrating the social responsibility of a semiconductor enterprise.

case Cultural resources empower rural areas

In April 2025, the Company worked in collaboration with the Wuxi High-tech Industry Association and other partner enterprises to donate 350 books to Zhongnan Village, Sidui Town, Guanyun County, supplementing the supply of resources for rural cultural development, and received sincere thanks from the Villagers' Committee of Zhongnan Village.



Letter of Appreciation

case Cultural resources empower rural areas

In October 2025, the Company donated RMB20,000 for maker classroom equipment to the Third Primary School of Yichuan County, providing targeted support for upgrading rural education hardware facilities. This charitable act received a Certificate of Appreciation awarded by the People's Government of Yichuan County.



Certificate of Appreciation

Appendices

Appendix 1: Table of Key Performance in 2025

Economic Performance			
	Indicator	Unit	2025 Performance
Economic Performance	Operating revenue	RMB'0,000	76,847.49
	Net profit	RMB'0,000	3,708.19
	Basic earnings per share	RMB	0.28
	Total assets	RMB'0,000	146,679.38
Environmental Performance			
	Indicator	Unit	2025 Performance
Environmental expenses	Total environmental expenses	RMB'0,000	0.50
Climate change tackling	Scope 1 GHG emissions	tCO2e	90.62
	Scope 2 GHG emissions	tCO2e	1,061.29
	Total GHG Emissions	tCO2e	1,151.91
	GHG emission intensity	tCO2e/RMB million revenue	1.50
Waste management	Volume of non-hazardous waste generated	Tonne	0.01
	Volume of hazardous waste generated	Tonne	6.80
	Total waste discharged	Tonne	6.81
	Total waste discharged per RMB million of revenue	Tonne/RMB million revenue	0.01
Water resource usage	Volume of hazardous waste recycled	Tonne	2.00
	Total water consumption	Tonne	4,480.50
Energy usage	Total water consumption intensity	Tonne/RMB million revenue	5.83
	Total electricity consumption	10,000 kWh	182.13
	Natural gas consumption	10,000 m ³	0
	Gasoline	Tonne	28.99
	Purchased electricity	kWh	182.13
	Total energy consumption	tce	266.77
	Total energy consumption per RMB million of revenue	tce/RMB million revenue	0.3471

Social Performance			
	Indicator	Unit	2025 Performance
Innovation-driven	Total R&D expenses	RMB'0,000	19,432.26
	Total R&D expenses as a percentage of operating revenue	%	25.29
	Number of R&D personnel	/	331
	Proportion of R&D personnel to total employees	%	57.67
	Number of newly filed intellectual property applications	/	41
	Number of newly granted intellectual property rights	/	23
	Total number of valid intellectual property rights	/	196
	Intellectual property per RMB million of revenue	Patent/RMB million revenue	0.26
	Total number of valid patents	/	131
	Number of valid patents per RMB million of revenue	Patent/RMB million revenue	0.17
	Number of software copyrights	/	9
	Number of software copyrights per RMB million of revenue	Patent/RMB million revenue	0.01
R&D personnel by education	Doctor's degree	/	4
	Master's degree	/	104
	Bachelor's degree	/	205
	Below bachelor's degree	/	18
R&D personnel by age	Aged under 30 (exclusive)	/	214
	Aged 30 (inclusive)-50 (exclusive)	/	105
	50 and above (inclusive)	/	12
Product safety and service quality	Number of product recalls	/	4
	Product recall ratio	%	0.46
	Product quality compliance rate	%	98.5
	Number of customer complaints	/	111
	Number of customer complaints per RMB million of revenue	Complaint/RMB million revenue	0.14
	Customer complaint handling rate	%	100
	Customer complaint resolution rate	%	100
	Customer satisfaction	%	93

Social Performance				
Indicator		Unit	2025 Performance	
Data security and customer privacy protection	Information security training sessions conducted		/	4
	Total duration of information security training conducted		Hour	4
	Total number of participants in information security training		/	40
	Number of data security attack-and-defence drills conducted		/	1
	Number of confirmed data breach incidents		/	0
	Number of confirmed customer privacy leak incidents		/	0
	Number of confirmed cybersecurity incidents		/	0
Supply chain security	Total number of suppliers		/	120
	Suppliers by region	Chinese mainland	/	117
		Hong Kong, Macao, Taiwan, and overseas	/	3
		Supplier localisation rate	%	97.5
	Supplier Integrity Commitment Letter	Total number of Supplier Integrity Commitment Letters signed	/	32
		Proportion of suppliers that have signed the Integrity Commitment Letter	%	26.67
	Number of suppliers that obtained the quality management systems certificate		/	102
	Proportion of suppliers that obtained the quality management systems certificate		%	85
Number of suppliers that obtained the environmental management systems certificate		/	75	
Proportion of suppliers that obtained the environmental management systems certificate		%	62.5	
Labour standards	Child labour incidents		Case	0
	Signing rate of labour contracts		%	100
	Social insurance coverage rate		%	100
	Average annual leave days per person		Day	6
	Total number of employee discrimination incidents		/	0
	Return-to-work rate after parental leave		%	100
Employee satisfaction survey	Employee satisfaction rate		%	93.26
Employment	Total number of employees		/	574
	Number of employees (by gender)	Male	/	378
		Female	/	196
		Proportion of female employees	%	34.15

Social Performance				
		Indicator	Unit	2025 Performance
Employment	Number of employees (by level)	Senior management	/	14
		Middle management	/	59
		Grassroots employees	/	501
	Number of employees (by educational background)	Postgraduate and above	/	120
		Bachelor's degree	/	327
		Below bachelor's degree	/	127
	Number of employees (diversity)	Number of female employees in middle and senior management	/	15
		Percentage of female employees in middle management	%	2.61
		Number of minority employees	/	10
		Proportion of minority employees	%	1.74
		Number of employees with disabilities	/	1
		Percentage of employees with disabilities	%	0.17
Employee turnover	Total employee turnover		/	37
	Turnover rate		%	6.03
Career development and training	Total expenses on employee training		RMB'0,000	24.87
	Expenses on employee training per RMB 1 million of revenue		RMB million revenue	0.032
	Number of training participants		/	704
	Total training hours		Hour	8,500
	Coverage of employee training		%	57%
Occupational health and safety	Total expenses on safety		RMB'0,000	16.36
	Participants in safety training		/	375
	Total safety training duration		Hour	4,500
	Average safety training duration per person		Hour	12
	Safety training coverage rate		%	100
	Safety drills and emergency exercises		/	1
	Occupational disease incidence rate		%	0
	Number of deaths due to work-related causes		/	0
	Number of work-related deaths per RMB 100 million of revenue		/	0
Number of work-related injuries		/	0	

Social Performance				
	Indicator	Unit	2025 Performance	
Occupational health and safety	Work injury rate	%	0	
	Occupational health check-up coverage rate	%	100	
Contributions to the society	Total expenses on public welfare and charity	RMB'0,000	2.20	
Governance Performance				
	Indicator	Unit	2025 Performance	
Corporate governance	Shareholders' meetings		/ 2	
	Proposals reviewed in the year		/ 66	
	Number of members of the Board of Directors		/ 9	
	Independent directors		/ 3	
	Composition of directors by educational background	Master's degree and above		/ 7
		Male directors		/ 7
	Composition of directors by gender	Female directors		/ 2
		Aged 50 and above		/ 5
	Composition of directors by age	Aged under 50		/ 4
		Board of Directors		/ 7
	Attendance of members at the Board of Directors' meetings	%	100	
	Proposals passed by the Shareholders' Meeting and the Board of Directors' meetings during the year		/ 47	
	Strategy and ESG Committee's meetings		/ 2	
	Audit Committee's meetings		/ 6	
	Nomination Committee's meetings		/ 1	
	Remuneration and Appraisal Committee's meetings		/ 1	
Number of information disclosure violations		/ 0		
Interests of investors	Cash dividends distributed per share	RMB	0.10	
	Number of disclosed report documents		/ 45	
	Number of investor engagement activities held		/ 3	
Compliance management	Number of violations of social laws and regulations		/ 0	
	Taxes paid	RMB'0,000	1,014	
	Tax payment rating	-	A	
Anti-unfair Competition	Incidents of lawsuits or significant administrative penalties arising from unfair competition behaviour		/ 0	
Anti-commercial bribery and anti-corruption	Number of corruption incidents		/ 0	

Appendix 2: Metric Index Table

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) Index Table

Dimension	No.	Topic	Corresponding Articles	Corresponding chapters of the Report
Environmental	1	Climate change tackling	Articles 21-28	Section 1 of Chapter III Climate Change Tackling
	2	Pollutant discharge	Article 30	Section 3 of Chapter III Waste and Pollutant Management
	3	Waste disposal	Article 31	Section 3 of Chapter III Waste and Pollutant Management
	4	Ecosystem and biodiversity protection	Article 32	Not applicable. The Company's location is not within a key protection area, and its production and business activities do not have a significant negative impact on ecosystems and biodiversity. As such, this issue has not been included in ETEK's ESG topics.
	5	Environmental compliance management	Article 33	Section 2 of Chapter III Environmental Compliance Management
	6	Energy usage	Article 35	Section 3 of Chapter III Optimising Resource Usage
	7	Water resources usage	Article 36	Section 3 of Chapter III Optimising Resource Usage
	8	Circular economy	Article 37	Section 3 of Chapter III Clean Technology Opportunities
Social	9	Rural revitalisation	Article 39	Section 4 of Chapter IV Contributions to the Society
	10	Contributions to the society	Article 40	Section 4 of Chapter IV Contributions to the Society
	11	Innovation	Article 42	Section 1 of Chapter II Innovation-driven Development
	12	Ethics of science and technology	Article 43	Not applicable. The Company was not engaged in scientific research, technology development, or other activities in technology-ethics-sensitive fields such as life sciences and artificial intelligence.
	13	Supply chain security	Article 45	Section 4 of Chapter II Supply Chain Security
	14	Equal treatment to small and medium-sized enterprises	Article 46	Not applicable. The applicable entities for this topic are enterprises with accounts payable (including notes payable) balances exceeding RMB30 billion or a proportion exceeding 50% of total assets at the end of the reporting period, as well as enterprises that have disclosed overdue payment information for SMEs through the National Enterprise Credit Information Publicity System. This topic is temporarily not applicable and has not been included by the Company as an ESG topic.
	15	Safety and quality of products and services	Article 47	Section 2 of Chapter II Safety and Quality of Products and Services
	16	Data security and customer privacy protection	Article 48	Section 5 of Chapter II Data Security and Customer Privacy Protection
Sustainability-related Governance	17	Employees	Article 50	Section 1 of Chapter IV Protection of Employee Rights and Interests Section 2 of Chapter IV Career Development and Training Section 3 of Chapter IV Occupational Health and Safety
	18	Due diligence	Article 52	Due Diligence and Communications with Stakeholders
	19	Communications with stakeholders	Article 53	Due Diligence and Communications with Stakeholders
	20	Anti-commercial bribery and anti-corruption	Article 55	Section 3 of Chapter I Business Ethics
	21	Anti-unfair competition	Article 56	Section 3 of Chapter I Business Ethics

Feedback Form

Dear Reader,

Greetings! Thank you for taking the time out of your busy schedule to read the report.

To enhance the communication value of this Report and effectively advance our ESG management and practices, we sincerely invite you to complete this feedback form. Your invaluable feedback will help us continuously improve.

Wuxi ETEK Microelectronics Co., Ltd.

Address: 8 Xinhui Ring Road, New District, Wuxi City, Jiangsu Province

Tel.: 0510-85217779

Email: lxwzqb@etek.com.cn

Website: www.etek.com.cn

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1. How would you rate the overall quality of this Report?

Excellent Good General Poor Very poor

2. How effectively do you think this Report has reflected ETEK's significant impact on the environment, society, and corporate governance?

Excellent Good General Poor Very poor

3. How would you rate ETEK's performance in communications with stakeholders?

Excellent Good General Poor Very poor

4. How would you rate the authenticity, accuracy, and usefulness of the information and data disclosed in this Report?

Excellent Good General Poor Very poor

5. How would you rate the overall structure and readability of this Report, including its content design and layout?

Excellent Good General Poor Very poor

▮ Which section of this Report interests you the most?


▮ Which ESG information in this Report is the most helpful to you?

▮ Do you have any suggestions or feedback for ETEK's future ESG reports?



Wuxi ETEK Microelectronics Co., Ltd.

 Address: 8 Xinhui Ring Road, New District, Wuxi City, Jiangsu Province

 0510-85210118

 marketing@etek.com.cn

 <https://www.etek.com.cn>