stock code: 601133.SH

2025 Sustainability Report

BOTH Engineering Technology Co., Ltd.

Sustainability Report
BOTH Engineering Technology Co.,Ltd.

BOTH®

CONTENT

About This Report

This is the second Sustainability Report issued by BOTH Engineering Technology Co., Ltd. (hereinafter referred to as "BOTH", "the Company" or "We"). It discloses to investors and other stakeholders the philosophy we uphold on sustainability topics, the management approaches we have established, the initiatives we have implemented, and the results we have achieved during our operations.

Reporting Scope

Organizational Scope

This report covers BOTH Engineering Technology Co., Ltd. and its subsidiaries. Unless otherwise stated, the reporting scope is consistent with the consolidated financial statements of BOTH (stock code: 601133.SH) for the same period.

Reporting Period

This is an annual report covering the period from 1 January 2025 to 31 December 2025. To enhance comparability and completeness, certain text and data may extend beyond this period where relevant, with clear explanations provided.

Basis of Preparation

This report has been prepared in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE – Compilation of Sustainable Development Reports issued by the Shanghai Stock Exchange (SSE).

In addition, the report references the following sustainability disclosure standards:

- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)
- The Sustainability Disclosure Standards for Business Enterprises: Basic Standard (Trial) jointly issued by the Ministry of Finance of the People's Republic of China
- China Enterprise Sustainability Development Report Guidelines (CASS-ESG 6.0) – Construction & Installation Industry issued by the China Enterprise Reform and Development Society

Data Notes

All data and case studies in this report are derived from the Company's official operational records. Financial data are presented in RMB. Where any financial figures differ from those in the Company's annual report, the annual report shall prevail.

Access to the Report

This report is published in both Chinese and English electronic versions and is available for viewing and download on the Company's official website (https://www.jsboth.com/) and the Shanghai Stock Exchange website (www.sse.com.cn).

If you have any questions or suggestions regarding BOTH's ESG work or this report, we welcome your feedback.

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Email: bothsecurities@jsboth.com

Reporting Principles

Materiality

We have identified the material topics of greatest concern to stakeholders and directly related to our operations as the focus of this report. While reporting on these material topics, we also take into account the characteristics of our industry and business. The process and outcomes of the materiality analysis are detailed in the "Materiality Analysis" section of this report.

Accuracy

We strive to ensure the accuracy of all information. For quantitative data, we have clearly stated the data scope, calculation methodology, and underlying assumptions to prevent any misleading impact on users. Quantitative data and accompanying notes are presented in the "ESG Performance Table" section. The Board of Directors assumes responsibility for the content of this report and confirms that it contains no false statements, misleading representations, or material omissions.

Balance

This report presents objective and factual information, disclosing both positive and negative aspects in an unbiased manner. No negative events that should have been disclosed but were not were found during the reporting period.

Clarity

This report is published in both simplified Chinese and English versions. In case of any inconsistency, the simplified Chinese version shall prevail. Tables, diagrams, and glossaries of professional terms are included to assist stakeholders in understanding the content. A table of contents and ESG standards index are provided for efficient navigation.

Quantifiability

Key quantitative disclosure items are reported in the "ESG Performance Table" section.

Comparability

This report maintains consistency in the statistical and disclosure methods for the same quantitative disclosure item across different reporting periods. If there are changes in the data collection, measurement, and calculation methods, the relevant data will be retrospectively adjusted, and the reasons for the adjustments will be explained in the report notes to enable stakeholders to conduct meaningful analysis and assess the development trend of the company's ESG performance.

Completeness

The reporting boundary is aligned with the scope of the Company's consolidated financial statements, ensuring the completeness of disclosed information.

Timeliness

This is an annual report covering 1 January 2025 to 31 December 2025. Unless otherwise stated, all data refer to this period.

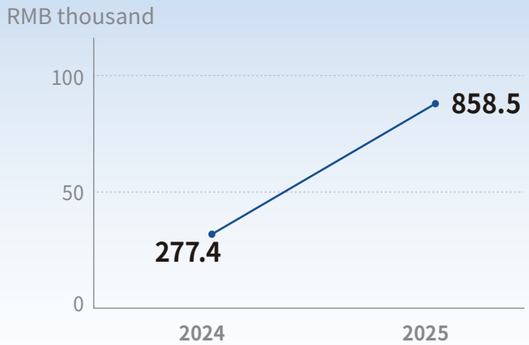
Verifiability

All cases and data are sourced from the Company's official operational records or financial reports, ensuring traceability and verifiability.

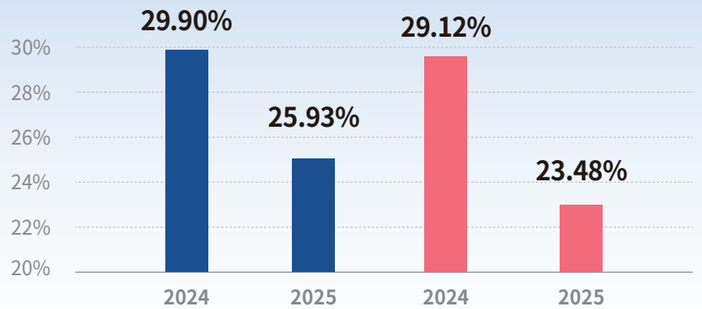
2025 Key Sustainability Highlights

2025 by the Numbers

Total Employee Training Expenditure



Employee turnover rate



100% Safety production training coverage

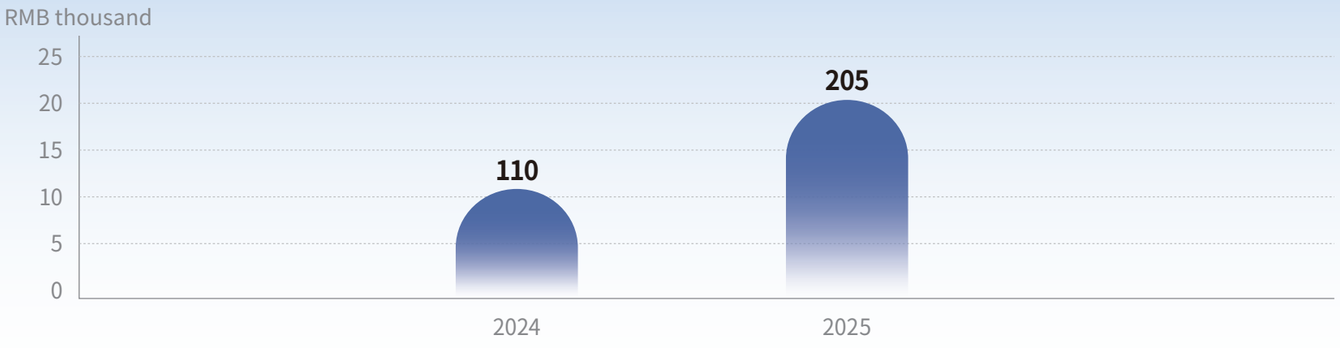
100% Occupational health and safety training coverage

248,483 Total hours of occupational health and safety training

100% Employee coverage rate of personal accident insurance or group accident insurance

100% Work injury insurance coverage

Total Charitable Donation



100% The anti-bribery and anti-corruption training coverage rate for suppliers

100% All employees' compliance with ethical business conduct guidelines and related business ethics signing rate

100% Senior management staff coverage of anti-bribery and anti-corruption training

2025 Key Awards and Recognitions

Corporate Awards	Issuing Authority	Photo
2024 “Outstanding Outbound Construction Enterprise”	Wuxi Installation Industry Association	
2024 “Top 100 Installation Enterprises”	Jiangsu Installation Industry Association	
2024 Excellent Construction Enterprise	Wuxi Binhu District Housing and Urban-Rural Development Bureau	
2024 Preferred Employer	Zhaopin Limited	
2025 AAA Credit Enterprise	Jiangsu Xincheng Credit Rating Co., Ltd. (Designated Credit Rating Institution by the Nanjing Branch of the People’ s Bank of China)	
2025 Annual Corporate Credit Evaluation AAA-Level Credit Enterprise	China Association of Construction Enterprise Management	

ESG Ratings & Honors	Rating/Issuing Agency	Photo
A	Wind Information Co., Ltd.	
A	Sino-Securities Index Information Service (Shanghai) Co.,Ltd	
Bronze Medal	EcoVadis	
2025 Wuxi Listed Company ESG Charity Growth Case	Wuxi Charity Federation (Wuxi Charity General Association), Wuxi Listed Companies Association, etc.	

Company Profile

About BOTH

BOTH Engineering Technology Co., Ltd. (stock code: 601133.SH) is a high-value provider of cleanroom system integration solutions serving global high-tech industries. Over more than 30 years of development, we have accumulated significant technological advantages in cross-industry applications, ultra-large cleanroom areas, and ultra-high cleanliness control, as demonstrated in numerous benchmark projects.

Headquartered in Wuxi, China, the Company holds top-tier qualifications including Class A Design in the Construction Industry, Class 1 General Contracting for Construction, and Class 1 General Contracting for Mechanical & Electrical Installation. We operate six major industrial business units and maintain overseas subsidiaries in Singapore, Malaysia, Vietnam, Thailand, and other regions, supported by our own professional design institute, intelligent manufacturing center, and filtration product production base. With a workforce exceeding 1,200 employees, we deliver full EPFC (Engineering, Procurement, Fabrication, Construction) capabilities covering design, procurement, manufacturing, construction, commissioning, and system validation.

We focus on high-tech industries including semiconductor and pan-semiconductor, new display, electronics & energy technology, as well as life sciences, bio-pharmaceuticals, and food & nutrition. We are committed to providing clients with the most demanding technical requirements with full life cycle services ranging from conceptual design and project implementation to overall delivery. Leveraging our refined management system and strong client reputation, we maintain long-term strategic partnerships with leading global enterprises such as TSMC, Samsung, SMIC, Hua Hong, CXMT, BOE, TCL CSOT, Foxconn, Eli Lilly, Pfizer, AstraZeneca, Boehringer Ingelheim, and Starbucks. To date, we have successfully delivered over 800 mid-to-high-end projects with a cumulative clean production area exceeding 10 million m^2, and have been honored with multiple national awards including the Luban Award, National Quality Engineering Award, and the Tien-yow Jeme Civil Engineering Prize.

We are committed to driving industry transformation and innovation breakthroughs. Recognized as the “Wuxi Cleanroom Engineering Technology R&D Centre”, we hold over 100 patents and construction methods. We extensively apply BIM technology, 3D/4D visualization design, modularization, and digital management systems to ensure precision, efficiency, and safety in project delivery.

Client List byIndustry (Partial)

Industry	Client List
Semiconductors & Related	Samsung, SK Hynix, SMIC, HHGrace, CXMT, YMTC, Silan, San-an-ST, YASC, etc.
New Display	BOE, TCL CSOT, Tianma Microelectronics, SDP, Visionox, etc.
Life Sciences	Boehringer Ingelheim, BeOne Medicines, Innovent, Zhifei, Dragon Sail Pharmaceutical, Yangshengtang, Meili Zhongcheng, WuXi Biologics, WuXi AppTec, etc.
Food, Pharmaceuticals & Health	Johnson & Johnson, Wyeth, Pfizer, AstraZeneca, Eli Lilly, Abbott, Starbucks, etc.
Consumer Electronics, Precision Electronics, and other High-tech Industries such as New Energy	Foxconn, Peng Shen Technology, SCC, Baic Electronics SK, AT&S, Kangning Environmental, etc.

Corporate Culture

Mission

Treat employees well, achieve customer success, and give back to society.

Vision

To become a respected enterprise in the fields of microelectronics, food & pharmaceuticals, and life sciences.

Values

Customer orientation, credit orientation, inclusive and diverse, value creation.

Business Layout

As a high-value provider of cleanroom system integration solutions for high-tech industries, BOTH possesses full-lifecycle and integrated EPFC (Engineering, Procurement, Fabrication, Construction) capabilities. We deliver professional services including project consultation, design, procurement, manufacturing, project management and execution, system commissioning and validation, secondary piping & wiring, and operation & maintenance for both industrial and biological cleanrooms.

One-Stop Service System

- 01 System functional requirements analysis
- 02 Project planning and design
- 03 Procurement management
- 04 Construction and fabrication
- 05 Project management and implementation
- 06 System debugging and verification
- 07 Secondary hook-up (piping and utilities)
- 08 Trial run of production equipment
- 09 Completion and delivery
- 10 System operation and maintenance

E| Design

- Concept design CD
- Basic/preliminary design BD/PD
- Detailed design DD
- Construction design SD

P| Procurement and Supply Chain Management

- Supplier management and compliance review
- Procurement of critical equipment and engineering materials
- International logistics and customs clearance planning
- Green/responsible supply chain management

F| Fabrication

- Modular cleanroom
- Electromechanical module
- Modular data center
- Purification products

C| System Integration and Debugging Testing

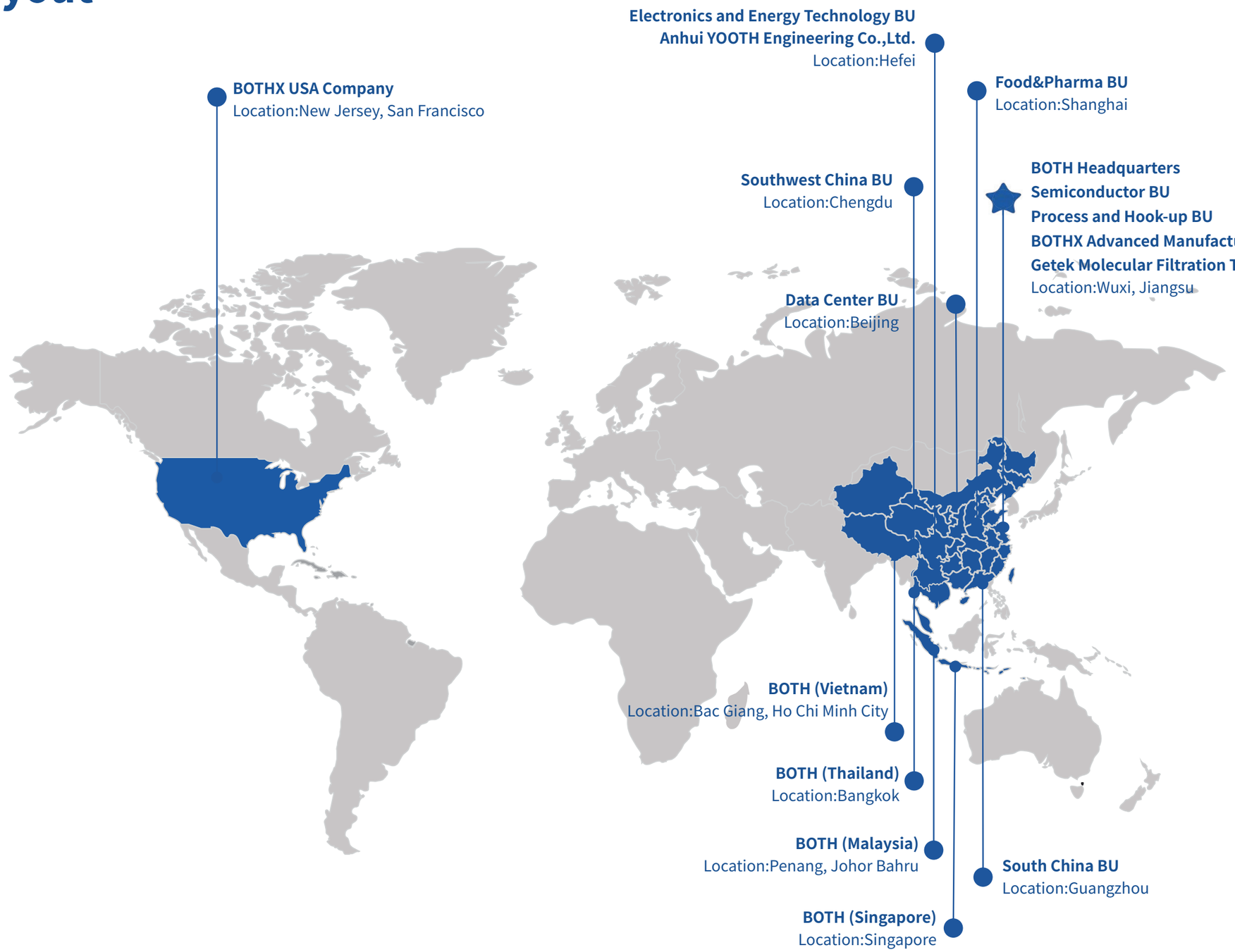
- Cleanroom
- MEP (Mechanical and Electrical Engineering) systems (HVAC, electrical, water supply and drainage, fire protection)
- Process systems (gas, chemicals, water systems)
- Civil engineering, structural and maintenance construction
- Hook-up
- Debugging planning and system debugging
- Clean environment performance testing
- Performance verification of key process systems
- Support for IQ/OQ/PQ validation of pharmaceutical facilities
- As-built documentation

Our business spans engineering services, modular solutions, supporting products, and filtration technologies. We have deeply positioned ourselves in multiple core sectors: semiconductors & related, new display, life sciences, food & pharmaceutical health, and electronics & new energy, forming a complete industrial chain service ecosystem.

Geographically, we have established a global network covering China, Southeast Asia, and the Americas. Through unified implementation standards, modular manufacturing systems, and localized execution teams, we ensure stable delivery of large-scale cross-regional projects.

- ☑ **2** major manufacturing bases (Wuxi, China)
- ☑ **7** major industrial engineering BUs (Semiconductor, Process and hook-up, Electronics & Energy Technology, Food & Pharma, Data Center, Southwest, South China & Overseas)
- ☑ **5** overseas localized business centers (Thailand, Malaysia, Vietnam, Singapore, USA)
- ☑ **15+** marketing and technical support networks (covering China's core city clusters and Southeast Asia's core cities)

Global Layout



Qualifications and Industry Engagement

2025 Active Qualifications and Permits

Category	Certifications, Qualifications & Licenses
General Contracting	■ Class I for General Contracting of Electromechanical Engineering Construction ■ Class I for General Contracting of Building Engineering Construction
Professional Contracting	■ Class I for Professional Contracting of Building Electromechanical Installation Engineering ■ Class I for Professional Contracting of Building Decoration and Renovation Engineering ■ Class I for Professional Contracting of Electronic and Intelligentization Engineering ■ Class I for Professional Contracting of Fire Protection Facilities Engineering ■ Installation, Repair, and Alteration of Pressure Special Equipment (Industrial Piping Installation GC2) ■ Class III Permit for Installation (Repair, Testing) of Electric Power Facilities
Design Qualifications	■ Class A for Engineering Design in Building Industry (Construction Engineering) ■ Class B for Engineering Design in Electronic System Engineering specialty within Electronic Communication, Radio and Television Industry ■ Class B for Engineering Design in Chemical, Petrochemical and Pharmaceutical Industry (YOOTH Engineering Design) ■ Class A for Engineering Design in Pharmaceutical Preparation specialty within Chemical, Petrochemical and Pharmaceutical Industry (YOOTH Engineering Design) ■ GC2 Pressure Piping Design Qualification (YOOTH Engineering Design)
ISO Certifications	■ ISO 9001 Quality Management System ■ ISO 14001 Environmental Management System ■ ISO 45001 Occupational Health & Safety Management System

2025 Industry Organizations and Positions

Organization Name	Position Held
China Association for Engineering Construction Standardization Electronic Engineering Branch	Council Member
Jiangsu Province Installation Industry Association	Council Member
Wuxi Installation Industry Association	Council Member
Wuxi Construction Industry Association	Council Member
CCUA Data Center Association	Council Member
Binhu District Federation of Industry and Commerce General Chamber of Commerce	Vice President
China Installation Industry Association	Member
China Pharmaceutical Association of Plant Engineering	Member
Jiangsu Construction Industry Association	Member
Shaanxi Jiangsu Business Construction Chamber of Commerce	Member
Wuxi Enterprises Going Global Association	Member
Zhuzhou Power Semiconductor Industry Alliance	Member
SEMI	Member
China Semiconductor Industry Association	Member
Jiangsu Semiconductor Industry Association	Member
Wuxi BioPharmaceutics Industry Association	Member
Truth Semi Group	Member
Chengdu Wuxi Chamber of Commerce	Member
Wuxi Investigation and Design Association	Member
Wuxi Association of Chief Accountants	Member
Shenzhen Terminal Electronics Manufacturing Industry Association	Member
Beijing Integrated Circuit Association	Member
Shanghai Installation Industry Association	Member

Sustainable Development Management

Sustainability Strategy

We at BOTH regard sustainability as the core driver of long-term value creation. Rooted in our founding philosophy of "Establishing Business for Good", we have deeply integrated Environmental, Social and Governance (ESG) principles into every aspect of corporate governance and business operations. Our goal is to address critical social and environmental challenges through commercial practices. Based on a profound insights of industry characteristics, stakeholder expectations, and global sustainability trends, the Company has formally established the "VALUE" Sustainability Strategy, dedicated to creating sustainable value for our clients, employees, partners, communities, and the environment.

The strategy constructs an action system covering five core dimensions: Based on Vital Safety (V) and Evolving Governance (E), ensuring robust and compliant operations; using Advancing Decarbonization (A) and Leading Quality (L) as the core pathways, enhancing green competitiveness through full-lifecycle management and technological innovation; regarding Unified Symbiosis (U) as the bond, deepening collaborative development with employees, the supply chain, and communities. Through the "VALUE" management strategy, BOTH is committed to delivering on our promises with high-value services in partnership with stakeholders and leading sustainable transformation in the industry.

BOTH Sustainability Governance Model

VALUE To create sustainable value for our customers, employees, partners, communities, and the environment.

Vital Safety	**A**dvancing Decarbonization	**L**eading Quality	**U**nified Symbiosis	**E**volving Governance
Dedicated to becoming one of the safest companies in the industry, ensuring every worker returns home safely, exactly as they arrived.	Integrating sustainability principles across the full project lifecycle — from design, procurement, and manufacturing to implementation and operation & maintenance — to minimize the environmental footprint of our projects and operations.	Delivering every project on schedule and to the highest standards through end-to-end design, construction, commissioning, and operational support, thereby creating sustainable value for our clients.	Building a sustainable and resilient value-chain ecosystem through collaboration and empowerment with our employees, partners, and communities.	Upholding transparent, robust, and responsible governance principles to ensure the Company's long-term sustainable development.
Occupational Health & Safety	Innovation Driven Energy Utilization Circular Economy Green Construction Addressing Climate Change Environmental Management System Water Resource Utilization Pollutant Emissions and Waste Management Ecosystem and Biodiversity Protection	Customer Service Quality Management Innovation Driven Data Security and Customer Privacy Protection ntellectual Property Protection	Sustainable Supply Chain Diversity, Equity and Inclusion Employee Training and Development Supporting Community Development	Corporate Governance Anti-Bribery and Anti-Corruption Compliance and Risk Management Investor Relations Management

During its development, BOTH supports 17 United Nations Sustainable Development Goals (SDGs), deeply embedding material topics including climate action, health and well-being, and decent work into our sustainability strategy.

Management Modules and SDG Contributions	Material Topics	Management Actions	2025 Performance Highlights
Vital Safety 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	Occupational Health & Safety	Since launching the Build Fence on Cliff, a safety special initiative in 2021 and continuously implementing it as a long-term strategy, it has become the core mechanism for the Company's safety production and occupational health management. Established a governance structure with the Safety Management Committee as its core, routinely identify and assess risks, conduct regular third-party audits to ensure a closed loop for hazard identification and rectification Management regularly leads inspections, and dedicated safety officers oversee designated areas, focusing on high-risk operations such as hoisting, working at heights, and confined spaces. Strictly enforce subcontractor access and safety agreements, requiring subcontractors to contribute a proportionate amount to safety costs and purchase accident insurance for their personnel, provide safety technical guidance, and ensure uniform safety standards Covering the entire process of construction and operation, the system continuously improves the risk identification and emergency response capabilities of all employees through regular training, case studies, and emergency drills	Developed and implemented a "Risk Battle Map System" to enable dynamic monitoring, advance warning, and visualized process control of safety risks throughout the entire project lifecycle. In 2025, the Company had **91** full-time safety personnel, accounting for **7.5%** of the total workforce, strengthening the organizational foundation for safety management. In 2025, the Company recorded a total of **945,971** hours of workplace safety training, with **1,824** sessions conducted on occupational health and safety. The coverage rate for workplace safety training, work-related injury insurance, and employee personal accident or group accident insurance all reached **100%**.

Management Modules and SDG Contributions	Material Topics	Management Actions	2025 Performance Highlights
Advancing Decarbonization 	Innovation Driven Addressing Climate Change Energy Utilization Circular Economy Environmental Management System Pollutant Emissions and Waste Management Water Resource Utilization Green Construction Ecosystem and Biodiversity Protection	Developed modular solutions for overseas markets, proactively aligning with international environmental standards to establish a low-carbon product system with green management. Integrated modularization with BIM technology, adopted high-energy-efficiency equipment and smart metering systems, shorten project timelines, reduce on-site pollution, and deliver intelligent control solutions that lower clients' operational carbon footprint. Established an internal allocation mechanism for waste materials, prioritizing the reuse of surplus resources, while conducting regular resource-efficiency audits to achieve closed-loop management.	Developed our proprietary software ecosystem; in 2025 we participated in formulating **13** industry standards and secured **7** copyrights in the BIM software domain. Deepened the application of BIM technology, effectively reducing energy consumption and emissions during construction. We were awarded the Jiangsu Province BIM Technology Application Second Prize and Third Prize, continuing to lead the industry toward low-carbon and high-efficiency transformation. Waste materials and construction surplus were classified and recycled, and then transferred to qualified professional institutions for reuse. A total of more than **680** tonnes of resources, including scrap iron, waste cables, and other resources, were recycled in 2025.

Management Modules and SDG Contributions	Material Topics	Management Actions	2025 Performance Highlights
Leading Quality 	Customer Service Quality Management Innovation Driven Data Security and Customer Privacy Protection Intellectual Property Protection	Built a customer-centric service culture and established a rigorous business opportunity risk assessment mechanism to ensure stable partnerships. Implemented fulllifecycle quality management, applying the "533" dynamic management principle and the "10103" planning mechanism to achieve closed-loop control across all processes. Established a dual-engine strategy of "Modular + BIM", focusing on the research and development of engineering and functional modules as well as BIM technology. Developed the "BOTH Digital Blueprint" and established a comprehensive data security management system covering assessment, management, technology, operations, and supervision.	Expanded regional service network by establishing regional offices and the Southwest BU, providing agile localized response and support. Strengthened patent mining and systematic management, achieving **16** patent applications and **14** patent grants in 2025, exceeding the annual target. Information security training covered **81%** of employees; the signing rate of employee confidentiality commitments and compliance with client confidentiality requirements both reached **100%**.

[1] "533" Dynamic Management Principle: A management system that achieves full-process dynamic control of projects through five major management stages, three milestone nodes, and three assessment evaluations.

[2] "10103" Plan: An execution system that comprehensively covers the entire project implementation and delivery process, consisting of 10 major management plans, 10 major internal deliverables, and 3 major external deliverables

Management Modules and SDG Contributions	Material Topics	Management Actions	2025 Performance Highlights
Unified Symbiosis  	Sustainable Supply Chain Diversity, Equity and Inclusion Employee Training and Development Supporting Community Development	Established a Supply Chain Management Committee and created a supplier management process covering development, evaluation, grading, and supervision; actively expanded local supplier networks in overseas operating locations. Incorporated diversity into the governance framework and provided cross-cultural training for employees while respecting local customs overseas. Implemented medium- and long-term incentive measures such as equity incentives. Built an internal knowledge base to integrate professional expertise and institutional resources, promoting experience retention and knowledge sharing. Prioritized local employment in overseas operations and actively conducted local procurement to drive local economic development and community employment. Annually donated funds to local charitable foundations to support community public services and assistance for vulnerable groups; participated in projects supporting local farmers' economies to contribute to agricultural development.	Actively expanded local supplier networks in Thailand, Vietnam, and other regions; local procurement rate in Vietnam reached over **50%** of total procurement value. Employee turnover rate decreased by **4.34%** compared to 2024; employee training coverage reached **100%**; total employee benefits expenditure was RMB **1.6874 million**. Implemented consumer assistance programmes, prioritizing the purchase of local agricultural products as employee benefits; adopted ecological farmland to support agricultural system optimization and soil protection.

Management Modules and SDG Contributions	Material Topics	Management Actions	2025 Performance Highlights
Evolving Governance  	Corporate Governance Anti-Bribery and Anti-Corruption Compliance and Risk Management Investor Relations Management	Maintained diversity and independence of the Board of Directors, with members covering expertise in engineering, accounting, and other professional fields. Established effective communication mechanisms, implemented the cumulative voting system and separate voting for minority investors, and added an online voting platform to safeguard the legitimate rights and interests of minority shareholders. Built a risk management framework led by the General Manager, supervised by the Audit Department, and coordinated by multiple committees; conducted special audits in high-risk areas to identify and drive rectification of potential issues. Formed an Ethics & Compliance Committee to coordinate integrity building and business ethics governance; established mechanisms for accepting and handling violation reports; organized regular integrity awareness campaigns and required new employees to sign commitment letters upon onboarding.	Established the Strategic Business Development Center to coordinate strategic planning and execution, strengthening strategic leadership, organizational synergy, and risk prevention. Conducted ESG-specific training to enhance the ability to perform duties. Organized and implemented the Xiangyun Safety Excellence Program , focusing on key areas such as workplace safety, compliant operations, and business ethics; unified control standards and enhanced overall compliance awareness. In 2025, **654** personnel participated in legal training; risk management training coverage for Board members reached **100%**.

Sustainable Development Governance

BOTH has established a three-tier ESG governance structure — Decision-Making, Management, and Execution — positioning strengthened ESG governance as a cornerstone of the Company's sustainable development. This framework enables systematic identification, assessment, and monitoring of environmental impacts, social risks, and opportunities, ensuring ESG initiatives are fully embedded in business processes and deliver tangible results.

BOTH ESG Governance Structure

Decision-Making Level

· The Board of Directors serves as the highest decision-making body for ESG governance and bears ultimate responsibility for ESG management and all material matters.

· Under the Board, the Strategy and Sustainability Committee is established. It is responsible for studying industry trends, formulating and reviewing the Company's ESG strategies, policies, and targets, providing decision-making recommendations to the Board, and supervising the effective implementation of the strategy.

Management Level

· The ESG Management Committee, chaired by the General Manager with heads of core functional departments serving as members, acts as the coordinating and steering body.

· It assumes specific responsibility for executing the sustainability strategy, approves work plans, coordinates resource allocation, and tracks and evaluates the overall progress of the Company's ESG initiatives.

Execution Level

· The ESG Execution Team serves as the core execution unit and comprises three specialized working groups.

· Each working group is responsible for the on-the-ground implementation of specific topics, data monitoring, risk management, and the preparation of the annual sustainability report. They conduct regular reviews and summaries and report outcomes to the ESG Management Committee.

In 2025, BOTH achieved a significant breakthrough in sustainable development management. According to the assessment results from EcoVadis, a globally leading rating agency for corporate social responsibility and sustainable development, the company has received the Bronze Medal for two consecutive years. Furthermore, its total score in 2025 increased by 11 points compared to 2024, positioning its overall performance among the top 18% of assessed companies globally.

BOTH Achievements in Improving EcoVadis Rating for 2025

Score Change	Sustainable Procurement +6	Environment +3	Labour & Human Rights +11	Business Ethics +21
Key Management Improvements	Deepen the construction of sustainable supply chains by systematically incorporating ESG standards into supplier access and assessment, promoting suppliers to obtain environmental management system certification, and significantly increasing the proportion of overseas local procurement to enhance supply chain resilience.	BIM + modular innovation won industry awards; supported green construction, achieved year-on-year reductions in both hazardous and non-hazardous waste generation.	Deeply embedded "Diversity, Equality & Inclusion" and occupational health & safety into labor management systemsand measures to establish a perceptible, quantifiable, and traceable human rights protection mechanism.	Continuously improved business ethics management system and procedures, ensure the applicability of our policies, and strengthen our risk management procedures to earn the long-term trust of our clients and investors through our actions.

BOTH 2025 EcoVadis Rating Score Changes

Stakeholder Engagement

We uphold the principles of openness and transparency and attach great importance to two-way communication with stakeholders. Based on our business realities, we have systematically identified key stakeholder groups including shareholders/investors, government/regulators, clients, employees, suppliers/partners, and communities and established diverse, accessible communication channels. In 2025, the Company continued to focus on the core concerns of various stakeholders, actively responded to their expectations and suggestions regarding sustainable development efforts, and persisted in accurately disclosing relevant information in a truthful and precise manner.

Stakeholder Group	Key Concerns	Communication Channels
Shareholders & Investors	Corporate Governance Investor Relations Management Compliance and Risk Management Anti-Bribery and Anti-Corruption Innovation Driven Addressing Climate Change	SSE e-Interaction platform Shareholders' meetings Investor on-site research Earnings briefings Earnings release conference Regular reports and disclosures Brokerage strategy meetings, analyst communication meetings
Government & Regulators	Environmental Management System Addressing Climate Change Energy Utilization Green Construction Pollutant Emissions and Waste Management Occupational Health & Safety Compliance and Risk Management Intellectual Property Protection	Policy tracking and implementation Regular reporting Complaint channels Meetings & events
Clients	Environmental Management System Occupational Health & Safety Green Construction Quality Management Customer Service Innovation Driven Data Security and Customer Privacy Protection Anti-Bribery and Anti-Corruption	Satisfaction surveys Service & complaint channels Client visits Supply-chain audits
Employees	Diversity, Equity and Inclusion Occupational Health & Safety Employee Training and Development Anti-Bribery and Anti-Corruption	Daily operation of Labor Union Internal meetings Training programmes Feedback hotline/email Corporate culture events Performance reviews
Suppliers & Partners	Anti-Bribery and Anti-Corruption Innovation Driven Sustainable Supply Chain Addressing Climate Change	Supplier evaluations Supplier conferences Daily email and telephone communication Site visits, industry exchanges Strategic cooperation
Public & Communities	Supporting Community Development Environmental Management System Energy Utilization Water Resource Utilization Pollutant Emissions and Waste Management Circular Economy Ecosystem and Biodiversity Protection	Official website & media Company visits Community volunteering Information disclosure

Materiality Analysis

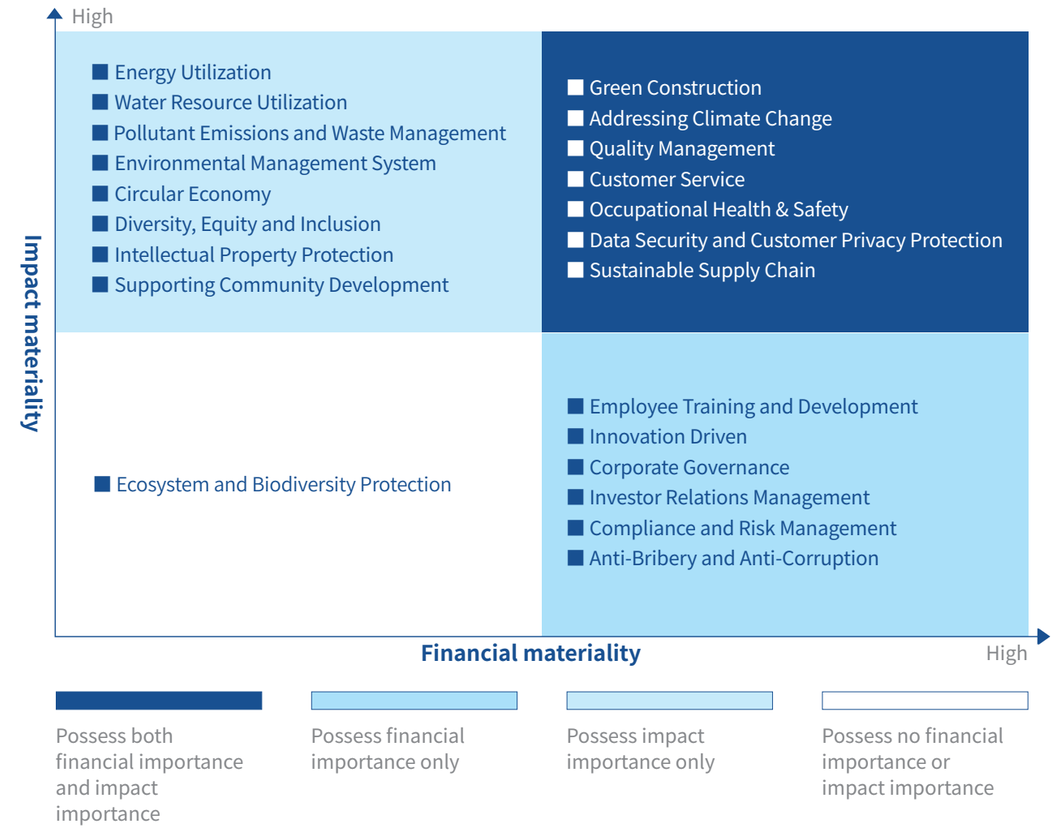
Material topics form the foundation of our ESG and sustainability management and disclosure. To ensure scientific and forward-looking topic identification, we referenced Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE(hereinafter referred to as the "Guide"), GRI Standards, UN SDGs, and other mainstream international and domestic frameworks, while incorporating macroeconomic policies, market conditions, and leading peer practices. This enabled us to build a comprehensive sustainability topic library.

In 2025, building on the 2024 identification results and adjusting for our business characteristics and operational changes, we dynamically refined the topic library and ultimately identified 22 material topics. Following the double materiality principle (impact materiality and financial materiality), we conducted rigorous assessment and prioritization through internal/external expert consultations and management feedback.

BOTH Materiality Analysis Process

Stage	Key Steps	Specific Process
Topic Identification	Background & stakeholder mapping	Conduct in-depth analysis of the company's business activities, value chain relationships, and external macro environment (policies, markets); systematically identify key stakeholders affected (such as employees, customers, suppliers, investors, communities, etc.).
	Topic list development	Built topic list based on SSE Guidelines, industry features, SASB, EcoVadis, client requirements, and peer practices, identifying potential impacts, risks, and opportunities; select key industry issues; and compile a list of issues related to the company's sustainable development.
Topic Assessment	Impact materiality assessment	Adopt an "inside-out" perspective, assess the actual and potential impacts of the issue on the economy, environment, and people along the value chain. The assessment is based on the severity (scale, scope, irreparability) and likelihood of the impacts.
	Financial materiality assessment	Adopt an "outside-in" perspective, assess the potential impact of climate transition risks, physical risks, and opportunities arising from these issues on the company's financial condition (cash flow, financing costs, etc.), and analyze the probability and scale of risks in conjunction with the company's risk management framework.
	Integrate the assessment results	Consolidate the findings from both impact materiality and financial materiality assessments to develop a double materiality assessment conclusion, thereby further refining the company's list of issues.
Integration & Ranking	Combined assessment Matrix analysis & threshold setting	The assessment results were verified through interviews with external stakeholders; the final ESG material issues list is reviewed by the company's management and then submitted to the board of directors and the Strategy and Sustainability Committee for confirmation.
	Validation & Approval	The shortlisted topics were incorporated into a "dual importance matrix," and scientific judgment thresholds were set to rank the topics based on their importance in terms of both financial importance and impact importance.
Reporting & Disclosure	Information disclosure	Disclosed analysis process, methodology, stakeholder engagement, and final materiality matrix in the annual ESG report for full transparency.

BOTH 2025 Materiality Topic Matrix



2025 Materiality Topic Adjustments

Domain	2024 Topic	2025 Topic	Adjustment Rationale
Environment	Addressing Climate Change	Addressing Climate Change	No adjustment
	Energy Utilization	Energy Utilization	No adjustment
	Water Resource Utilization	Water Resource Utilization	No adjustment
	Environmental Management System	Environmental Management System	No adjustment

Domain	2024 Topic	2025 Topic	Adjustment Rationale
Environment	Emissions & Waste Management	Pollutant Emissions & Waste Management	Refined definition to focus on emission sources, pollutant control, and waste disposal for better alignment with international standards.
	Circular Economy	Circular Economy	No adjustment
	Green Construction	Green Construction	No adjustment
	Ecosystem and Biodiversity Protection	Ecosystem and Biodiversity Protection	No adjustment
Social	System Quality & Customer Service	Quality Management	The topic is broken down to clarify different management objectives, management mechanisms, and boundaries of responsibility, and to systematically present the company's differentiated management measures for quality assurance and customer rights protection throughout the entire product and service lifecycle.
	/	Customer Service	
	Data Security and Customer Privacy Protection	Data Security and Customer Privacy Protection	No adjustment
	Supply Chain Management	Sustainable Supply Chain	Focused on the deep integration of ESG elements in supplier access, assessment, and risk control, the document systematically conveys the company's strategic direction and implementation results in promoting a sustainable supply chain.
	Innovation Driven	Innovation Driven	No adjustment
	Intellectual Property Protection	Intellectual Property Protection	No adjustment
	Workplace Safety	Occupational Health & Safety	Avoided boundary overlap; strengthened integrated management of employee health and operational safety risks, presenting a more holistic picture of the Company’ s system and effectiveness in risk identification, prevention and control measures and emergency management.
	Occupational Health & Safety		

Domain	2024 Topic	2025 Topic	Adjustment Rationale
Social	Employee Rights & Benefits	Diversity, Equality & Inclusion	The focus has expanded from solely on employee benefits and compliance to a comprehensive talent management perspective covering the entire process of recruitment, employment, promotion, and compensation, reflecting the company's management practices in preventing discrimination, promoting equal opportunities, and fostering an inclusive organizational culture.
	Employee Training and Development	Employee Training and Development	No adjustment
	Philanthropy & Rural Revitalization	Supporting Community Development	Incorporated the Company's broader practices in promoting local employment and supporting community economic and social development, and more comprehensively reflects the Company's management scope and actual contributions to creating social value at the community level.
Governance	Corporate Governance	Corporate Governance	No adjustment
	Business Ethics	Anti-Bribery & Anti-Corruption	Aligned naming with Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE.
	Compliance and Risk Management	Compliance and Risk Management	No adjustment
	——	Investor Relations Management	Newly added topic, covering information disclosure and investor rights protection. Separated from the corporate governance topic, to fully disclose the company's management priorities in capital market communication and governance responsibilities.

Minimize Environmental Footprint

Environmental Management System

Addressing Climate Change

Green Construction and Sustainable Delivery

Resource Utilization and Circular Economy

Ecosystem and Biodiversity Protection

Environmental Management System

BOTH regards environmental management as the cornerstone of sustainable operations. We not only pursue compliance but also proactively and continuously reduce our environmental footprint. Through systematic risk identification, process-driven institutional safeguards, and meticulous green office practices, the Company is dedicated to integrating environmental protection into every facet of its daily operations, laying a solid foundation for the Company’s green development.

Guided by the environmental philosophy of “strictly adhering to regulatory requirements in environmental management, continuously reducing environmental pollution, and assisting clients in building sustainable facilities,” BOTH complies with domestic laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Regulations on Environmental Management of Construction Project. Simultaneously, the Company strictly adheres to relevant environment regulatory requirements in the countries and regions where its overseas subsidiaries are located. We have established internal systems such as the Regulations on Project Environmental Management and the Procedures for Hazardous Waste Management. Furthermore, the Company has established an effective environmental protection governance structure, continuously refines its systems, improves environmental protection measures, and enhances environmental benefits in its business development.

Environmental Governance Structure

In terms of governance structure, the Company's Strategy and Sustainability Committee serves as the core decision-making body, responsible for reviewing significant environmental matters and overseeing the strategic implementation of topics such as climate change, green construction, and the circular economy. At the execution level, various departments collaborate to implement these initiatives: the Procurement Department focuses on green procurement and refined management of raw materials; each business division promotes pollution reduction and carbon reduction, and energy conservation throughout the entire project lifecycle; the Administration Department optimizes energy and resource conservation measures in office operations; and the EHS Department strengthens environmental safety risk prevention and compliance management.

BOTH has established a robust environmental management system, requiring that all project operations and management adhere to environmental management procedures to ensure the compliant disposal and discharge of waste, wastewater, and exhaust gas. Regarding system construction, we have obtained the ISO 14001 certification for Environmental Management Systems.

In 2025, our total environmental protection investment amounted to RMB 2.0772 million, primarily allocated to the treatment of hazardous and general waste, the procurement of green construction materials, and technological upgrades for energy conservation and emission reduction. Through appropriate resource allocation, we continuously reduce the environmental footprint of our operations.In 2025, the Company recorded no penalties due to environmental violations and incurred no environmental fines.


北京中大华远认证中心有限公司

环境管理体系认证证书

证书号：02024E1938R6M

柏诚系统科技股份有限公司

体系适用范围：位于中国江苏省无锡市滨湖区隐秀路 800-2101 的柏诚系统科技股份有限公司的机电工程施工总承包（含净化工程）的环境管理活动

注册地址：中国江苏省无锡市滨湖区隐秀路 800-2101

环境管理体系符合：GB/T 24001-2016/ISO 14001:2015 《环境管理体系 要求及使用指南》

发证日期：2024 年 12 月 16 日；有效期至：2027 年 12 月 15 日

初次发证日期：2007 年 3 月 27 日；换证日期：2025 年 12 月 12 日

总经理签发：

ISO 14001 Certificate

Environmental Risk Management

We conduct regular environmental risk assessments to identify potential environmental risk points. Through proactive risk management, we develop targeted mitigation strategies and continuously improve our environmental protection measures to minimize our environmental footprint.

Risk Type	Potential Impact	Mitigation Measures
Noise Pollution	◆ Noise generated from the operation of construction machinery and transportation facilities may cause disturbance to the ecosystem and residents of surrounding communities. ◆ Improper design or equipment operation in plants may causes resonance during factory operation, potentially increasing the risk of employees contracting occupational diseases.	◆ Optimize construction schedules to reduce nighttime work, thereby minimizing noise impact. ◆ Adopt modular prefabrication technologies to shorten on-site construction periods. ◆ Utilize BIM technology for acoustic simulation to optimize building design (e.g., by installing acoustic panels and vibration damping devices). For example, BOTH installs acoustic panels inside prefabricated equipment room modules and incorporates vibration damping devices under the electromechanical equipment.
Fugitive Dust Emission	◆ Activities such as site leveling, vehicle access, waste transportation, and demolition operations may generate fugitive dust, adversely affecting air quality and polluting the atmospheric environment.	◆ Implement dust control measures through standardized material management and storage, establishment of enclosed barriers, and road watering. ◆ Optimize construction management and utilize modular prefabrication technologies to enhance construction efficiency, thereby preventing dust pollution at the source.
Pollutant Emission and Waste Manage-ment	◆ Although the project construction process does not involve significant polluting emissions, wastewater, solid waste, or hazardous waste, pollutants such as vehicle exhaust, welding fumes, empty containers, and construction waste may still pose limited harm to air, water bodies, and soil.	◆ Replace diesel and internal combustion engines with electric motors to prevent exhaust emissions at the source. ◆ Implement refined material management to improve material recycling and reuse rates, reducing waste generation. ◆ Collaborate with professional and qualified third-parties to ensure compliant disposal of hazardous waste. ◆ Regularly inspect construction sites, monitor pollutant indicators, promptly address potential risk points, and implement closed-loop management.
Light Pollution	◆ Nighttime lighting and welding arc light may cause light pollution, affecting the surrounding community's ecological environment; ◆ In cleanrooms, high-intensity lighting, special light sources, and material reflections may also negatively impact the surrounding community.	◆ Reasonably arrange construction schedules to mitigate the impact of light pollution from nighttime work. ◆ Select building materials carefully and utilize BIM technology to optimize spatial layout and strategically plan lighting arrangements, thereby reducing light pollution.
Potential Fire Hazards	◆ Fires may be caused by welding operations or improper management of flammable materials, which could have a negative impact on safety, health, and the community environment.	◆ Conduct regular inspections to identify potential fire hazards and promptly rectify management deficiencies, ensuring closed-loop management. ◆ Organize regular fire safety drills and environmental safety training to enhance employees' prevention awareness. ◆ Adjust fire prevention measures and inspection frequencies in a timely manner based on seasonal and weather conditions, continuously improving risk prevention and control measures.

Green Office

BOTH actively promotes the concept of environmental protection, fostering a green office atmosphere with participation from all employees. The General Manager's Office regularly organizes "Green Office Practices" sharing sessions during monthly administrative meetings, inviting representatives from various operational sites to share best practices in their daily work. By establishing this experience-sharing platform, we promote mutual learning and improvement among operating locations, continuously optimizing and improving in practice to effectively enhance the environmental benefits of office operations and jointly build a green office culture.

BOTH Green Office Practices	
Green Office	**Specific Practices**
Office Energy Consumption	◆ In terms of lighting, we utilize natural light, employ LED energy-saving lighting, and implement a "turn off lights when leaving" policy. ◆ We set appropriate air conditioning temperatures, conduct regular maintenance on AC units, and enhance window and door sealing to improve office energy efficiency. In summer, the minimum temperature shall not be lower than 26° C, and in winter, the maximum temperature shall not exceed 20° C. ◆ Energy-saving stickers are displayed in meeting rooms, offices, and other areas to reinforce energy conservation awareness among employees.
Office Water Consumption	◆ Post signs and slogans promoting water conservation in various areas such as restrooms, tea rooms, lounges, and offices to reinforce awareness of water conservation. ◆ Water meters are installed to monitor company water usage, promptly address any anomalies, and prevent leaks or drips in office areas.
Waste Management	◆ Waste sorting is implemented, and we collaborate with property management and cleaning staff to recycle hazardous or special waste, including used batteries, empty ink cartridges, and toner cartridges. ◆ Source reduction strategies are implemented, including promoting digital and paperless offices, encouraging double-sided printing to reduce office paper consumption, and implementing measures such as wastepaper recycling and reuse of express delivery boxes. ◆ A shared office supplies area is established for infrequently used items, reducing the generation of office waste.
Sustainable Business Travel	◆ An online travel management platform is introduced to centrally manage employee business travel, prioritizing high-speed rail travel and encouraging carpooling to reduce greenhouse gas emissions during business trips. ◆ Employees are encouraged to bring their own travel essentials, such as toothbrushes, cups, and slippers, to reduce the use of disposable items and promote a green and sustainable lifestyle. ◆ Carpooling for business trips is encouraged to reduce single-occupancy vehicle usage.

Office Energy-Saving Reminders

Office Waste Sorting and Recycling

Addressing Climate Change

BOTH actively responds to the national "dual carbon" goals and the Paris Agreement, having integrated climate change into the Company's core governance structure. In accordance with the IFRS S2 Climate-related Disclosures and the Sustainability Disclosure Standards for Business Enterprises No.1— Climate (Trial) issued by the Ministry of Finance of the People's Republic of China, we systematically identify, assess, and manage climate-related physical and transition risks. We also develop science-based mitigation and adaptation strategies, committed to enhancing the Company's climate resilience and contributing to global temperature control targets.

Governance

The Board's Strategy and Sustainability Committee oversees climate change-related matters, provides guidance to management in conducting climate change governance, and makes decisions on necessary resource allocation. The Committee regularly receives climate reports from management and reviews annual sustainability report that include the material topic of "Addressing Climate Change."

Strategy

Based on the warming scenarios outlined in the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC), we analyze the impact of climate change on our business operations, while also assessing how our operations may affect the climate and environment. The IPCC AR6 indicates that the global average surface temperature is projected to reach or exceed 1.5° C within the next two decades, accompanied by an increase in average precipitation with significant variability depending on region and season. Global mean sea levels will continue to rise, bringing increased uncertainty to monsoon climate patterns and changes in extreme precipitation patterns.

In response, we apply the framework of the Sustainability Disclosure Standards for Business Enterprises No.1— Climate (Trial) issued by China's Ministry of Finance to assess climate-related risks and opportunities, which serves as the foundation for our strategic planning. Guided by the principle of "mitigating climate change and comprehensively enhancing climate resilience," we are implementing a series of climate-related actions, including: managing climate-related risks, capturing climate-related opportunities, developing climate adaptation strategies, tracking key performance indicators related to greenhouse gas emissions, and continuously reducing our greenhouse gas emissions. We also plan to develop "dual carbon" strategies in the future, ultimately achieving carbon neutrality.

BOTH Construction Climate Change Strategy

Risk/ Opportunity Type		Risk/ Opportunity Event	Company Impact	Financial Impact	Scale and Scope of Impac	Strategy
Physical Risk	Acute Physical Risks	◆ Flood ◆ Heavy Rain ◆ Typhoon ◆ Drought ◆ Heatwave	◆ Extreme weather events such as typhoons, heavy rain, and floods may threaten employee safety. ◆ May lead to supply chain and operational disruptions , and cause damage to fixed assets.	◆ Damage to fixed assets ◆ Short-term revenue fluctuation ◆ Increased operating costs	◆ Can cause significant negative impacts in the short term.	◆ Establish emergency rescue plans for extreme climate disasters, strengthen emergency drills and training, and enhance employee safety awareness. ◆ Enhance supply chain stability by integrating climate warning information into procurement and transportation planning to mitigate the negative impacts of disastrous weather.
	Chronic Physical Risks	◆ Increased number of days with sustained high or extreme cold temperatures ◆ Rising sea levels	◆ Sustained high or extreme cold temperatures may affect human health and safety, reducing working hours. ◆ Continuous rise in mean sea level may impact port facilities and maritime shipping routes, disrupting overseas transportation.	◆ Increased operating costs ◆ Damage to current assets ◆ Potential revenue decline	◆ All operational sites will be affected by extreme tempera-tures over the medium to long term. ◆ Mean sea level will continue to rise over the next century.	◆ Adjust working hours and implement measures to prevent heatstroke and cold; utilize BIM technology and modular construction methods to enhance project construction efficiency and reduce the impact of extreme weather on production and operations. ◆ Strengthen supply chain management by promoting localized sourcing strategies to reduce reliance on long-distance maritime logistics.

BOTH Construction Climate Change Strategy						
Risk/ Opportunity Type		Risk/ Opportunity Event	Company Impact	Financial Impact	Scale and Scope of Impac	Strategy
Transition Risks	Policy and Legal Risks	◆ Increasingly stringent compliance requirements for information disclosure. ◆ Potential tax increases.	◆ Governments across the globe, including China, Southeast Asian nations, and the United States, require companies to enhance the transparency and quality of climate-related information disclosure and demand independent third-party assurance. ◆ Increasingly stringent global carbon emission regulations pose compliance pressure and overseas market access barriers (e.g., carbon tariffs).	◆ Rising compliance costs ◆ Profits may decline	◆ Policy changes over the medium to long term will affect all business units.	◆ Strengthen ESG training for management and employees to enhance compliance disclosure capabilities. ◆ Conduct regular carbon inventories and gradually expand the scope to include value chain carbon accounting, reducing the risk of non-compliance in disclosure. ◆ Monitor global ESG regulatory policies and promptly carry out information disclosure to enhance transparency.
Transition Risks	Technology Risks	◆ R&D of low-carbon technologies such as green building technologies and clean energy.	◆ Low-carbon technologies in the fields of green building and clean energy may fail to achieve the company’ s expected carbon reduction targets due to risks such as high costs and difficulties in commercializing R&D outcomes.	◆ Increased R&D investment costs. ◆ Increased operating costs	◆ Medium to long term technology trends will affect all business units.	◆ Proactively monitor technology trends, optimize R&D investment planning, and maintain competitive R&D capabilities. ◆ Deepen industry-university-research collaboration to accelerate the commercial application of technology R&D outcomes.
	Market Risks	◆ The market is increasingly favoring lowcarbon building products.	◆ Global demand for green buildings is rising. If the company fails to timely upgrade its products and services to be greener, it may face the risk of being eliminated from the market.	◆ Declining revenue	◆ Medium to long term market changes will affect all business units.	◆ Continuously advance modular construction and BIM technologies to provide clients with more comprehensive, low-carbon integrated solutions.

BOTH Construction Climate Change Strategy						
Risk/ Opportunity Type		Risk/ Opportunity Event	Company Impact	Financial Impact	Scale and Scope of Impac	Strategy
	Reputation Risks	◆ The public, clients, and investors are increasingly focused on environmental issues such as climate change and clean energy.	◆ The company may lose its responsible brand image due to significant negative environmental-related public incidents, potentially leading to a downgrade in its credit rating. ◆ The company may suffer reputational damage if it fails to provide transparent and timely disclosures.	◆ Diminished brand value ◆ Increased cost of market capitalization management	◆ Major negative incidents may cause significant impacts in the short term.	◆ Strengthen ESG controversies management by establishing ESG controversy monitoring and early warning mechanisms to prevent significant negative public incidents at the source. ◆ Strengthen compliance disclosure and provide high-quality, transparent information to the public in a timely manner through channels such as annual reports, announcements, and official news.
Opportunity	Resource Efficiency Opportunities	◆ Develop a circular economy and improve resource efficiency, including raw materials, packaging materials, water resources, etc.	◆ Enhance resource efficiency by using precise material management to reduce waste generation, lower operating costs through recycling and reuse, and continuously improve operational performance.	◆ Cost reduction and efficiency improvement	◆ Short-term operational benefits across all business units	◆ Set resource efficiency targets, monitor key performance indicators, and implement improvement measures.

BOTH Construction Climate Change Strategy						
Risk/ Opportunity Type		Risk/ Opportunity Event	Company Impact	Financial Impact	Scale and Scope of Impac	Strategy
Opportunity	Energy Sources	◆ Utilize renewable energy sources such as photovoltaic and wind power. ◆ Adopt smart energy management systems to achieve refined energy management. ◆ The development of carbon markets presents new opportunities for the company.	◆ The use of renewable energy can reduce energy consumption costs. ◆ Smart energy management systems meet client demand for energy-efficient buildings, enhancing competitiveness ◆ The company has opportunities to increase revenue in markets such as green electricity trading and carbon markets.	◆ Reduced operating costs ◆ Enhanced revenue opportunities	◆ Medium to long term operational benefits across all business units	◆ Develop energy usage plans, monitor carbon market dynamics, and enhance energy management efficiency through rational energy planning. ◆ Continuously advance energyefficient technologies, leveraging AI and BIM technologies to develop energyefficient building services for clients. ◆ Actively explore revenue opportunities in green electricity trading and carbon trading in future operational planning.
Opportunity	Products and Services	◆ An increas-ing number of clients are seeking innovative integrated lowcarbon, and energysaving service solutions. ◆ Clients have higher requirements for the climate resilience of buildings.	◆ Gain client trust through carbon footprint certification and climate resilient design, capturing additional revenue opportunities. ◆ The company can strengthen client trust and maintain its competitiveness by offering integrated service solutions with lower carbon emissions and greater energy efficiency.	◆ Enhanced revenue opportunities ◆ Enhanced brand value	◆ Medium to long term operational benefits across all business units.	◆ Develop R&D plans for low-carbon and environmental technologies aligned with client needs, research low-carbon integration technologies, and provide customized energy-saving solutions. ◆ Offer customized climate-resilient service solutions for clients, covering seismic retrofitting, application of weather-resistant materials, and optimization of energy-saving insulation systems, thereby enhancing building physical resilience and operational energy efficiency.

BOTH Construction Climate Change Strategy						
Risk/ Opportunity Type		Risk/ Opportunity Event	Company Impact	Financial Impact	Scale and Scope of Impac	Strategy
Opportunity	Market Opportunities	◆ Emerging markets' demand for energy, technology, and services related to lowcarbon transition presents multiple potential opportunities. ◆ Amid the "dual carbon" wave, the market is offering an increasing number of green finance financing channels.	◆ The demand for energy-efficient buildings and technologies in emerging markets presents product and technology development opportunities for the company. ◆ Green bonds, sustainability-linked bonds, and sustainable investment concepts will diversify the company’ s financing channels and provide access to low-cost financing opportunities.	◆ Enhanced revenue opportunities ◆ Reduced cost of capital	◆ Medium to long term market changes will affect all business units.	◆ Allocate necessary resources for low-carbon and environmental improvements such as product carbon footprint certification in future operational planning to enhance competitiveness. ◆ Monitor green finance development trends and adopt appropriate green financial instruments in the future to provide financial support for low-carbon development. ◆ Strengthen investor relations management by providing high quality ESG information to investors focused on green and low-carbon development, thereby enhancing investor confidence.
Opportunity	Climate Resilience	◆ Enhance adaptability to climate change, strengthen the company’ s risk management capabilities, and reduce the negative impacts of climate change on the business.	◆ Avoided losses to fixed and current assets by enhancing capacity to respond to climate risks. ◆ Enhanced revenue generation and create new value by seizing climate opportunities in a timely manner.	◆ Enhance corporate value ◆ Enhance revenue generation capability	◆ Long-term climate resilience enhance-ment planning can empower all business units.	◆ Develop short, medium, and long term climate strategies, periodically evaluate the effectiveness of climate risk and opportunity management, and enhance climate resilience through dynamic strategic planning.

Risk Management

The Strategy and Sustainability Committee of the Board, as the highest governing body responsible for ESG matters, oversees management's efforts in implementing climate change risk management and integrates climate risks into the Company's overall risk management framework.

Management communicates the key priorities of climate risk management to the execution level in a timely manner and leads the Company in continuously enhancing climate adaptation resilience. This includes issuing early warnings for extreme weather events, optimizing risk assessment processes, and steadily reducing transition risks associated with climate change.

The executive team is responsible for implementing the company's climate change strategy, including carrying out prevention work against extreme weather disasters, implementing various preventive measures for heatstroke prevention and cooling, promoting the research and development of low-carbon technologies, and cooperating with climate change risk assessments to collect and analyze information, ensuring that the company can continuously strengthen its climate change risk management.

Metrcis and Targets

BOTH supports the goals of the Paris Agreement to limit the increase in global average temperature to well below 2 ° C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 ° C. We also support China's latest Nationally Determined Contributions (NDCs) for 2035. In our operations, we implement various energy conservation and carbon reduction measures, and monitor the effectiveness of our decarbonization efforts through greenhouse gas (GHG) emissions tracking.

The Company requires all business units to fully implement energy-saving measures to reduce GHG emissions. Additionally, through regular carbon inventories, we provide data support for the development of quantitative carbon reduction targets and pathways. Currently, we regularly hold internal sharing sessions on best practices for energy conservation and carbon reduction in our office operations. At all project construction sites, we utilize LED lighting and replace diesel and gasoline consumption with electric equipment, such as electric forklifts and electric shovels. Site management also includes ongoing awareness campaigns on energy conservation and carbon reduction, implementing the practice of turning off lights when not in use.

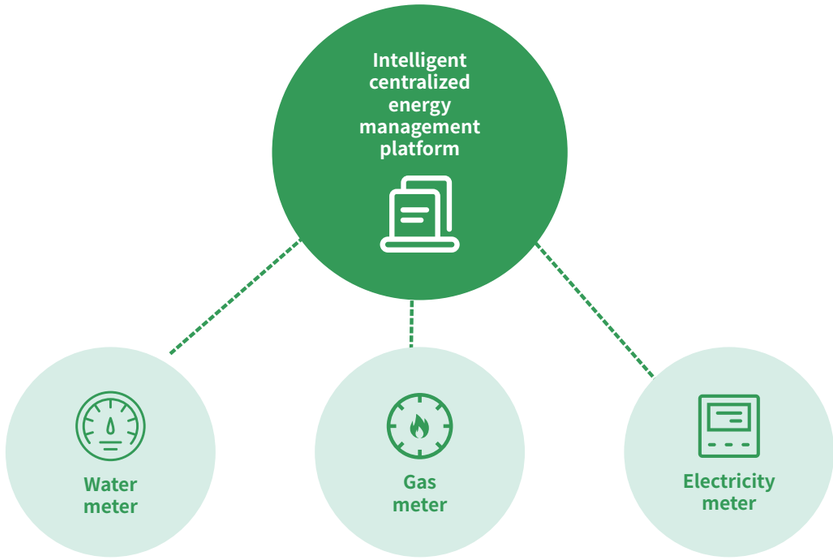
Furthermore, during the design and construction phases of cleanroom projects, we integrate and innovate modular technology, BIM technology, and AI technologies to reduce GHG emissions during cleanroom operations, providing clients with low carbon, energy efficient engineering service solutions. For example, in project construction, we commonly adopt high efficiency HVAC systems and introduce centralized air conditioning to enable intelligent control of heating and cooling energy usage, effectively reducing energy consumption and GHG emissions in facilities.

[Case Study] National Two-Star Green Factory Building Project in the Biopharmaceutical Industry

BOTH actively implements the concept of green construction. In the design of a biopharmaceutical factory building project, we emphasized both the suitability and maturity of technologies, successfully helping the client obtain the national Two-Star Green Building Certification.

In this project, the Company prioritized the use of new energy-efficient wall systems, roofing insulation materials, and high-air-tightness energy-saving doors and windows. Combined with rooftop greening and optimized natural lighting and ventilation, we significantly enhanced the thermal performance of the building envelope while reducing operational energy consumption. Integrated grid-connected photovoltaic power generation and rainwater harvesting systems were installed to improve resource efficiency. Additionally, by promoting the use of locally sourced materials and optimizing structural solutions, we reduced transportation needs and building material consumption.

In terms of intelligent energy consumption monitoring and management, the project strictly adhered to relevant national and local technical specifications. A comprehensive monitoring system was established to perform itemized and categorized tracking of lighting, air conditioning, power systems, and specialized electricity usage. The system adopts a "centralized management, decentralized control" model, featuring full-circuit data collection, remote meter reading, real-time analysis, and fault alarm functions. Through in-depth analysis of energy consumption patterns and refined management, the system helps clients promptly identify anomalies and develop improvement measures, effectively reducing operational costs and greenhouse gas emissions.



Schematic Diagram of the Intelligent Centralized Energy Management Platform

In terms of metrics management, we conduct an annual internal carbon inventory to account for Scope 1 and Scope 2 greenhouse gas emissions. By monitoring these indicators, we continuously identify potential opportunities for carbon reduction.

BOTH's 2025 Greenhouse Gas Emission Performance

Indicator	Unit	Year 2024	Year 2025
Total GHG Emissions (Scope 1 + Scope 2)	tCO_2e	6,603.97	7,045.98
Scope 1 GHG Emissions	tCO_2e	56.81	95.65
Scope 2 GHG Emissions	tCO_2e	6,547.16	6,950.33
GHG Emissions per Unit Revenue (Scope 1 + Scope 2)	tCO_2e/ million RMB	1.26	1.70

Green Construction and Sustainable Delivery

BOTH integrates green principles throughout the full project lifecycle, driving sustainable construction through technological innovation. We adhere to the highest national energy efficiency standards and, through the enhanced application of BIM and modular technologies, achieve precise management and resource optimization across design, construction, and operation phases. We are committed to delivering efficient, low-carbon green buildings to our clients, jointly building a sustainable future for the industry.

The Company upholds its commitment to environmental protection across all stages of engineering projects—integrating green principles into the design phase, procurement and subcontracting phase, fabrication and construction phase, and post-delivery operation and maintenance phase. This approach enhances resource and energy efficiency while avoiding resource waste.

BOTH's Green Construction Lifecycle Management

Planning and Design

Concept: Low-Carbon and Energy Efficiency

Key Measures: Utilize BIM to optimize spatial and ventilation design, incorporate green building materials and high-efficiency energy saving systems.

Procurement and Subcontracting

Concept: Resource Conservation and Circularity

Key Measures: Utilize BIM for refined material management, establish material utilization targets for subcontractors and conduct performance evaluations, and reduce waste through closed-loop

Fabrication and Construction

Concept:Green Construction

Key Measures: Adopt modular technology for factory prefabrication, while implementing low-carbon principles in factory fabrication.

Operations and Maintenance

Concept: Green and Intelligent

Key Measures: Utilize in-depth BIM models to enable intelligent monitoring and support subsequent renovation and expansion.

We adhere to the latest national standards in the design and construction of green buildings, while continuously advancing R&D in green technologies and deepening the application of BIM, modular construction, and AI to support the low carbon transition of the construction industry.

Examples of Green Building Standards Followed by BOTH	
Code for Acceptance of Construction Quality of Building Energy Conservation Engineering	(GB 50411-2019)
General Code for Building Energy Efficiency and Renewable Energy Utilization	(GB 55015-2021)
Code for Thermal Design of Civil Buildings	(GB 50176-2016)
Test Methods for Air Permeability, Watertightness and Wind Load Resistance Performance of Building External Windows and Doors	(GB/T 7106-2019)
General Specification for Building Curtain Walls, Windows and Doors	(GB/T 31433-2015)

Planning and Design Phase

During the project planning and design phase, BOTH ensures environmental compliance of the cleanroom system in accordance with regulatory requirements and client needs, while incorporating green building materials and high-efficiency ventilation and heating systems to the greatest extent possible. In terms of spatial management, BIM technology is applied to optimize space utilization, improve natural lighting and ventilation design of the occupied spaces, utilize natural light to reduce lighting energy consumption, and minimize ventilation energy consumption through rational layout.

Procurement and Subcontracting Phase

During the procurement and subcontracting phase, the Company utilizes BIM technology to implement refined material and procurement management, preventing material waste. We also set requirements for subcontractors regarding material utilization efficiency to limit resource waste. To ensure the implementation of resource conservation principles, the Company has established a normalized material monitoring mechanism, conducting specialized monthly analyses of project surplus materials and inventory. The Company links material consumption performance to the points-based evaluation of key personnel in roles such as engineering, material management, and procurement, reinforcing cost control responsibilities. Additionally, by analyzing the causes of surplus materials and developing targeted improvement plans, a closed-loop management system is formed to continuously enhance resource utilization efficiency.

In managing subcontractors, we set targets for their material wastage rates and incorporated material utilization targets and waste reduction requirements into the contract terms. During project construction, we included subcontractors' resource conservation performance in the supplier evaluation system, urging them to proactively control material consumption during construction.

Fabrication and Construction Phase

In the fabrication of cleanroom building components, BOTH utilizes modular prefabrication technology to manufacture modules such as power equipment rooms, air conditioning rooms, pure water and wastewater systems, and data centers in factories. This significantly shortens on-site construction time and minimizing pollutant emissions, energy consumption, and greenhouse gas emissions at the construction site. In factory manufacturing operations, we uphold the principles of resource conservation, energy efficiency, and low-carbon practices, implementing various measures to reduce the environmental footprint of our factories.

Operations and Maintenance Phase

The BIM deep model achieves accurate reproduction of the building entity and digital model, covering the operating parameters of electromechanical equipment and operational indicators such as water and electricity within the factory. Through the intelligent monitoring platform, customers can monitor the equipment operating status in real time, effectively improving operation and maintenance efficiency. In addition, the existing BIM model can directly support subsequent renovation and expansion design and planning, significantly improving work efficiency.

In 2025, the Company has implemented a points-based management system. For details, please refer to the “Compensation and Incentive Mechanism” section under “Diversity, Equity and Inclusion.”

Level of BIM Application

[Case Study] National One-Star Green Building Project in the Biotech Industry

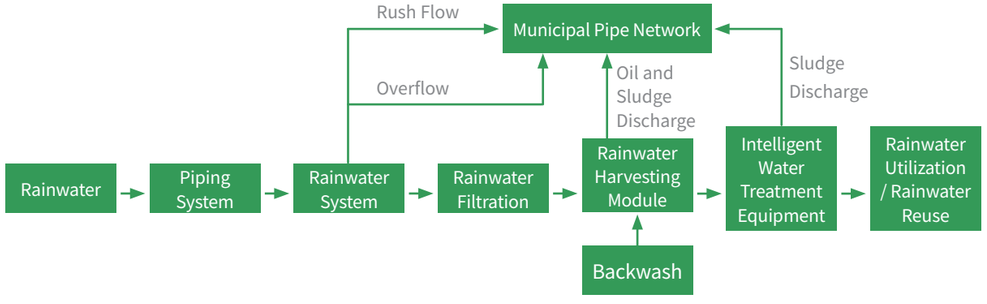
We carried out the design, planning, and construction of this project in accordance with the Green Building Evaluation Standard (GB/T 50378-2019), helping the client obtain the National One-Star Green Building Certification.

In terms of application of green building materials, the project prioritized the use of high-performance, lightweight, and recyclable green building materials. While ensuring safety and functional requirements, we fully utilized recycled and re-used old building materials to reduce waste generation at the source, achieving both resource conservation and enhanced building quality.

With regard to energy planning, to improve energy efficiency, the project introduced air conditioning units with Level 2 energy efficiency. Additionally, based on the local climate conditions of the project site, we applied a solar water heating system for hot water supply. We actively incorporated renewable energy sources such as solar thermal, solar photovoltaic, and shallow geothermal energy into the energy planning framework, enhancing the building's green energy performance.

In the terms of water Resource Management, we selected water-efficient fixtures in accordance with the standards set forth in Water Saving Sanitary Appliances (GB/T 31436-2015) and General Technical Specifications for Water Saving Products (GB/T 18870-2011), ensuring that water efficiency levels meet Grade 2 requirements. Furthermore, we designed a rainwater harvesting system and constructed a rainwater storage tank. The system employs a rainwater filtration process comprising "grille flow + coarse filtration + fine filtration" to filter, disinfect, and sterilize the collected rainwater, ensuring that the harvested rainwater meets the standards for reclaimed water.

Schematic Diagram of the Rainwater Reuse System



Deepening BIM Application

BIM technology utilizes three-dimensional models to optimize spatial layouts, effectively avoiding pipeline clashes, and simulates the entire project construction process. Through precise material management, it reduces waste generation at the source. Meanwhile, the synergistic application of BIM and modular technology significantly shortens on-site construction periods, effectively reducing pollutant emissions and resource consumption such as water and electricity during construction, thereby lowering greenhouse gas emissions.

To continuously deepen the application of BIM technology and drive ongoing technological innovation, BOTH has integrated over 40 dedicated BIM professionals into the design teams of various business divisions. This enables deep collaboration across disciplines based on BIM technology, allowing BIM to be deeply involved in every stage of the project—from planning and design to construction, and final acceptance and delivery. By utilizing the BIM cloud platform and 3D imaging platform, all project participants achieve efficient online collaboration. The platform supports timely updates of BIM models, drawings, and on-site 3D images, as well as multi-party reviews, issue tracking, and version management, ensuring that all personnel can construct according to the latest standards antytime, anywhere, effectively guaranteeing consistency between models, drawings, and physical structures. This approach significantly improves management efficiency and reduces rework and waste, and delivers accurate digital models to owners, reducing resource consumption and pollutant emissions at the source.

In 2025, BOTH's BIM innovation application achievements won second and third prizes at the 10th Jiangsu Province Installation Industry BIM Technology Application Awards, marking a new milestone in our BIM innovation and integration. In the future, we will continue to explore innovative applications of BIM+ technologies, integrating BIM with advanced technologies such as AI, IoT, digital technologies, and other cutting-edge technologies to provide clients with more energy-efficient and low-carbon green buildings through intelligent construction.

[Case Study] Efficient Construction of a Vertical Process Pharmaceutical Plant Based on BIM Technology

The vertical process flow is complex, and the limited space within the facility presents a high risk of design failures such as pipeline clashes and spatial layout conflicts, which can lead to resource and energy waste. BIM models provide a comprehensive three-dimensional analysis of all project processes, enabling optimized pipeline layouts and clash detection within the model. By adjusting two-dimensional drawings prior to construction and guiding the construction team during on-site execution, rework is avoided at the source. This approach enhances material utilization efficiency throughout the project, conserves energy, and reduces exhaust gas and wastewater emissions during the construction.

Third Prize in the 10th Jiangsu Province Installation Industry BIM Technology Application Competition (2025)

Water Resource Utilization

BOTH strictly complies with national laws and regulations, including the Water Pollution Prevention and Control Law of the People's Republic of China, and is committed to actively promoting water conservation and continuously advancing water recycling efforts. In our daily operations, we implement various measures to protect water resources.

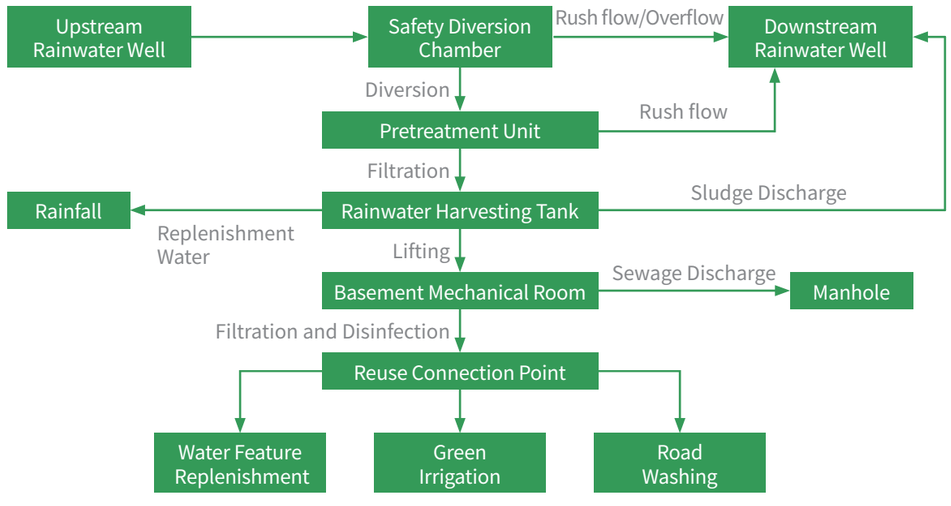
In terms of water conservation goals, the Company supports national water conservation targets and carries out water conservation efforts in accordance with policy documents such as the National Water Conservation Action Plan and the Key Points of National Water Conservation Work in 2025. We track water usage performance, actively utilize alternative water sources, and continuously improve the efficiency of water recycling.

Regarding water conservation measures, we implement water conservation measures through different approaches across our factory operations and project construction activities. These include the use of water-efficient fixtures such as water-saving faucets, water-saving toilets, and mist cannons to reduce water consumption. Simultaneously, we actively promote the recycling and reuse of water resources by introducing alternative water sources to reduce the volume of freshwater withdrawal.

[Case Study] Use of Alternative Water Sources: BOTHX Advanced Manufacturing Installs Rainwater Reuse System

In the construction and operation of our factory facilities, we have introduced sponge city infrastructure and implemented rainwater reusing measures, effectively reducing freshwater withdrawal and continuously improving water efficiency. Our rainwater harvesting system can hold 138 cubic meters of water per cycle. The harvested rainwater is used for landscape irrigation and road washing, reducing municipal water consumption and lowering operating costs, achieving both environmental and economic benefits.

Schematic Diagram of BOTHX Advanced Manufacturing's Rainwater Harvesting System



In terms of wastewater management, BOTH strictly complies with laws and regulations including the Water Pollution Prevention and Control Law of the People's Republic of China and the Regulations on the Administration of Pollutant Discharge Permits, and has established the Company's Project Environmental Management System to implement wastewater management. Prior to project construction, we apply to the local government for and obtain Urban Sewage Discharge into Drainage Network Permit to ensure compliant discharge. In terms of water ecology protection, the Company's Project Environmental Management System stipulates that discharging waste into water bodies near construction areas is prohibited; it is also strictly forbidden to use hazardous waste as backfill material to prevent contamination of underground water sources.

BOTH's production operations do not involve significant water consumption or high-pollutant discharges. The potential negative impact on water ecology mainly stems from small quantities of liquid hazardous waste, such as coolant preparation wastewater and cleaning agent mixing wastewater. In response, we perform compliant pre-treatment and then entrust qualified third-parties for disposal.

Compliant wastewater treatment procedures are also implemented at our construction sites, ensuring proper handling of wastewater. Specific measures include: installing drainage ditches and sedimentation tanks at project sites, requiring that construction wastewater be treated by sedimentation before being discharged into the municipal sewage pipeline; installing oil separation tanks for oily wastewater from project sites and living areas, with waste oil collected and processed by qualified third-party agencies; setting up temporary flush toilets and septic tanks equipped with anti-leakage measures and regularly cleaned to prevent overflow; and ensuring domestic sewage is matured in septic tanks before being regularly collected by municipal septic tank suction trucks.

Currently, none of our project operation sites are located in arid areas, and there is no risk of water use or water withdrawal. In the future, we will gradually improve water resource risk management, enhancing the Company's climate resilience through stable water supply management. Through stringent controls at every stage, the Company recorded no instances of non-compliant or excessive wastewater discharge in 2025, and no penalties for violations were incurred.

Pollutant Emissions and Waste Management

BOTH adheres to the concept of green construction, continuously reducing pollutant and waste emissions, and implements site management standards that exceed regulatory requirements to minimize the negative impacts of exhaust gas, wastewater, and hazardous waste on the environment and human health.

BOTH's production operations do not involve significant pollutant emissions and have no material impact on air, water bodies, or soil. The Company strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and has established internal policies including the Regulations on Project Environmental Management and the Procedures for Hazardous Waste Management to implement compliant management measures for pollutants, general solid waste, and hazardous waste in daily operations.

In accordance with the Procedures for Hazardous Waste Management, the Company conducts environmental due diligence by identifying and assessing hazardous waste that may be generated during project construction prior to commencement. Based on the assessment results, the Company plans hazardous waste disposal measures and develops emergency response plans to mitigate the negative impacts of hazardous waste on the environment and human health.

Hazardous waste generated during project construction primarily includes empty containers from epoxy application, empty paint buckets, and waste adhesives from insulation work. For disposal, we establish temporary hazardous waste storage warehouses in compliance with regulatory requirements, where dedicated personnel store and transport hazardous waste according to its classification, and engage qualified third-party vendors for hazardous waste disposal. To ensure closed-loop management, the Company has implemented Hazardous Waste Receiving Records, Hazardous Waste Outbound Records, and Hazardous Waste Disposal Records to document and track hazardous waste across all projects, thereby enhancing environmental compliance. In terms of solid waste management, the Company follows the 3R principle of Reduce, Reuse, and Recycle to support the development of a circular economy. General solid waste is segregated and managed by category, with priority given to recycling and reuse. Solid waste that cannot be recycled is disposed of by qualified third-party vendors.

Energy Utilization

In BOTH's business activities, including office operations, project implementation, and product manufacturing, the main types of energy consumed are electricity and gasoline (for vehicles). We uphold the principle of energy conservation, continuously optimizing energy use in our operations and implementing low-carbon operational strategies. At the same time, we actively provide energy-efficient building solutions for clients during project construction, promoting the green transformation of high-tech industries. In terms of management systems, we strictly comply with laws and regulations including the Energy Law of the People's Republic of China, the Law of the People's Republic of China on Energy Conservation, the Electric Power Law of the People's Republic of China, and the Measures for the Administration of Electricity Conservation. We have established internal policies such as the Administrative Measures for Office Areas of Headquarters and Branches to ensure that all employees implement energy-saving measures.

Regarding energy-saving measures, we prioritize the use of clean and renewable energy, conduct regular inspections and maintenance of energy equipment to ensure efficient and energy-saving operation, and continuously strengthen energy metering management to promptly identify anomalies in energy consumption, implementing corrective actions to ensure efficient energy use. Additionally, we use energy-efficient lighting fixtures in both office spaces and construction sites. All project sites are equipped with LED mobile lighting, and the use of heat-source lighting such as halogen lamps or sun lamps is strictly prohibited.

Furthermore, as a high-value service provider committed to advancing decarbonization and integrating sustainability principles throughout the entire project lifecycle—from design and procurement to manufacturing, implementation, and operation and maintenance:

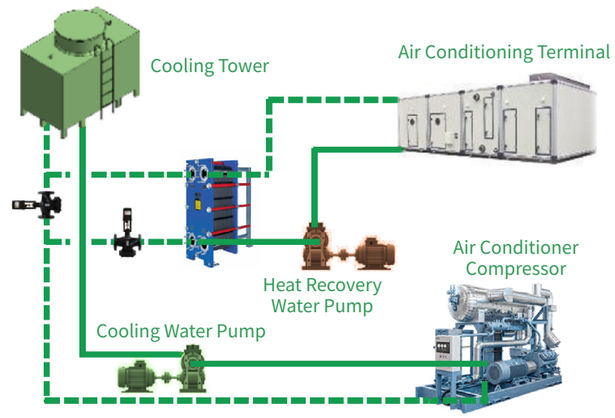
- During the design and planning phase of buildings, we incorporate energy conservation considerations into the solutions we provide to clients, helping them achieve their carbon reduction goals and improve energy efficiency. We implement energy-efficient design through simulation analysis of natural ventilation and daylight, utilize energy-efficient lighting systems, employ high-efficiency heating equipment, and introduce smart energy meters and intelligent monitoring systems based on client needs. These energy-saving and emission reduction measures help clients minimize or avoid energy waste through refined energy management.
- During the construction phase of buildings, we actively use modular technology to reduce energy consumption from on-site construction through factory prefabrication. For example, in a Class 100 electronic chemical reagent filling workshop project, our modular air conditioning design effectively helped the client continuously optimize energy conservation control.

Class 100 Electronic Chemical Reagent Filling Workshop Project

[Case Study] Benchmarking against international best practices to create a low-energy benchmark project

In response to the trend of green and low-carbon transformation, the company has comprehensively benchmarked against LEED, Thailand's TREES green building certification standards, the Green Building Evaluation Standard, and the Evaluation Specification for Zero-Carbon Factory in a semiconductor cleanroom construction project, aiming to create an international, high-standard green and low-carbon chip manufacturing base. From the initial design stage, the project prioritized energy conservation, selecting high-efficiency products with national level 1 energy efficiency or IE4 standards for core power equipment such as chillers, air compressors, circulating water pumps, and motors, ensuring efficient and reliable equipment operation.

Regarding energy system optimization, the project adopted a medium- and low-temperature chilled water system and a large temperature difference design, significantly improving the coefficient of performance (COP) of the chiller units. It also achieved energy recycling through compressed air system cooling water heat recovery technology. Simultaneously, the project actively promoted the application of renewable energy, planning the building-integrated solar system design concurrently with the building design, ensuring maximum utilization of clean energy without reducing the solar radiation standards of adjacent buildings. Through these measures, the project effectively reduced energy consumption and carbon emissions in the semiconductor production process, building a green and efficient operational foundation for the customer.



Principle of Compressed Air Heat Recovery System

BOTH's 2025 Energy Performance

Indicator	Unit	Year 2025
Gasoline Consumption	Liter	43,897.43
Purchased Electricity Consumption	MWh	13,572.95
Comprehensive Energy Consumption	tonne of standard coal equivalent	1,715.27
Direct Energy Consumption	tonne of standard coal equivalent	47.15
Indirect Energy Consumption	tonne of standard coal equivalent	1,668.12
Comprehensive Energy Consumption per Unit Revenue	tonne of standard coal equivalent / million RMB	0.41

Resource Utilization and Circular Economy

BOTH is committed to innovating traditional models. Guided by the principle of maximizing resource efficiency, with modular technology as a core strategy, and supplemented by refined waste material management and material allocation mechanisms, we enhance material reuse rates and recycling value. We actively develop the circular economy, persist in reducing waste generation at the source, increase resource recycling and reuse ratios, and continuously innovate modular technology, using green building technologies to help clients reduce the environmental footprint of their operations.

Development Strategy for Modular Intelligent Manufacturing

Compared to on-site construction management of traditional buildings, modular construction offers advantages such as environmental friendliness and intelligence, more stable quality, and higher delivery certainty. We focus on advanced manufacturing industries such as life sciences, semiconductors, and new display technologies. Through high-certainty, sustainable modular integrated solutions and high-performance cleanroom solutions, we help clients achieve efficient and sustainable development in increasingly complex market and climate environments.

Modular cleanrooms adopt a factory prefabrication and on-site assembly model, completing strict quality control before installation. This effectively mitigates construction risks, ensures consistent performance, and enables predictable delivery. Meanwhile, factory-integrated production significantly improves energy and resource utilization efficiency, substantially shortens construction cycles, and reduces on-site waste, pollutant emissions, and noise pollution at the source. Furthermore, standardized building components are movable and reusable, effectively increasing the recycling and reuse ratio of building materials and contributing to resource circularity.

Four Key Advantages of Modular Technology

Shortened Project Timelines: Efficient Delivery and Sustainable Construction

Factory prefabrication significantly shortens construction periods. Integrated production enhances energy and resource efficiency, reduces waste, pollutants, and noise, thereby achieving efficient and sustainable delivery.

Higher Delivery Certainty: Predictable and Compliant Assurance

Factory prefabrication centralizes quality management and testing, reducing on-site uncertainties and mitigating environmental and safety risks. Digital monitoring ensures compliance, enabling predictable delivery.

Enhanced Quality Consistency: Unified Control and Stable Performance

Centralized quality management in factory prefabrication ensures consistent performance of key components, avoiding on-site quality fluctuations. This safeguards delivery quality and meets high-performance requirements.

Easier Expansion and Reconfiguration: Sustainable Circular Design

Modular technology supports diverse construction approaches. Components are movable and reusable, allowing customization of functions and layouts on demand, and enhancing expansion efficiency. Standardized components increase the material recycling and reuse ratio, supporting sustainable circularity.

Following the national strategic direction for intelligent construction and new industrialization, we persist in deeply cultivating modular technology. We enhance the standardization capabilities of modular construction, improve the recyclability and reusability of building components, and reduce the generation of construction waste at the source.

BOTH Core Modular Technology

Compliant Construction Design

- In-depth analysis of clients' manufacturing processes, providing customized plant layout planning services based on functional zoning, personnel flow, and material management and usage.
- Design services benchmarked against GMP standards from multiple countries including the U.S. FDA, EU EMA, WHO, and China NMPA.

Integrated Software Platform

- Software enables one-click DFMA (Design for Manufacturing and Assembly) conversion from conceptual design to detailed CAD design, covering a parametric design library and rapid configuration functions.
- All modules adopt unified interfaces. The intelligent BOM (Bill of Materials) system supports full-process traceability, ensuring transparency from design to delivery and facilitating sustainable supply chain management.

Millimeter-Level Precision Control Technology

- Module dimensional accuracy is controlled within 2 millimeters. High-precision manufacturing is achieved through specialized fixtures, reducing material waste.
- Multiple sealing and protection technologies enhance module durability and extend service life, meeting requirements for resource conservation and circularity.

Collaborative Management Technology

- High-strength steel frames with anti-corrosion and fireproof treatment enhance structural safety and durability.
- Integration of process equipment to deliver turnkey process units, optimizing construction workflows and reducing on-site energy consumption.
- Each module is equipped with a unique digital identifier for real-time status monitoring, supporting efficient operation and maintenance, resource optimization, and enhancing sustainable operational capabilities.

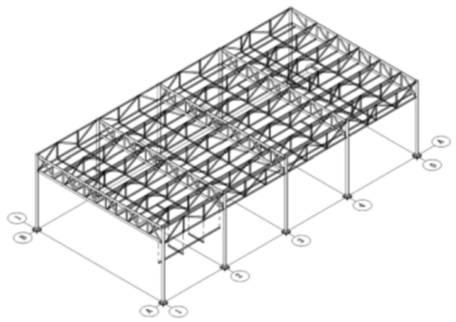
As of now, our modular manufacturing plants have developed a unique set of core modular technologies and service systems. Based on the differentiation of our modular technology roadmap, we have formed unique core product forms.

[Case Study] Integrated Application of BIM Models and Modular Technology: Construction of Rapid-Assembly Cleanrooms

We delivered a rapid-assembly cleanroom solution for a client in the U.S. electronics manufacturing sector. This project was located within the client's existing plant and was a typical brownfield project, imposing high requirements for construction timelines, operational disruption control, and compliance. The project faced four major challenges during implementation: constraints of the existing plant structure requiring construction without impacting ongoing operations; a tight project schedule demanding clear production ramp-up timing; the need to comply fully with relevant U.S. standards and codes; and cross-regional delivery, requiring higher certainty in design, manufacturing, and quality control.

Faced with these challenges, we adopted a rapid-assembly cleanroom solution. Design, manufacturing, pre-assembly, installation, commissioning, and testing of the cleanroom were completed in China, with the highly integrated clean units then delivered in entirety to the U.S. site for rapid deployment. Through modular and standardized design, critical process steps were significantly front-loaded. A high proportion of manufacturing and validation was completed in a controlled environment, markedly shortening on-site construction and commissioning periods, effectively reducing overseas construction risks and uncertainties, and helping the client rapidly achieve cleanroom environment upgrades and commence production on schedule.

Furthermore, standardized cleanrooms possess green attributes such as being movable, easily expandable, and having reusable building components. Through the integrated application of BIM models and modular technology, we have accumulated mature experience in cross-border delivery, rapid-assembly cleanroom engineering capabilities, and international standards compliance execution, providing a replicable solution pathway for overseas plant renovations and rapid capacity expansion.



Schematic Diagram of the Rapid-Assembly Cleanroom Design

In the future, BOTH will continue to strengthen the standardization capabilities of modular buildings, committed to promoting the deep integration of construction industrialization and intelligent manufacturing. Standardized prefabricated building components, by virtue of their reusability and recyclability, will significantly enhance resource circularity rates. Simultaneously, they will optimize transportation efficiency, reduce environmental footprint, and strengthen environmental benefits. Industrialized construction processes, through standardized production, improve efficiency and reduce resource consumption and carbon emissions from on-site construction, further aligning with the requirements of sustainable construction.

Recycling and Reuse in Project Construction

During project construction, we implement the concept of circularity to continuously reduce resource waste. To this end, we have formulated the Detailed Rules for the Disposal of Scrap Materials, under which the Procurement Center manages materials holistically. On one hand, surplus project materials and inventory surplus materials are transferred between projects through a balanced inventory mechanism, achieving internal resource circularity. On the other hand, scrap materials that cannot be internally transferred are collected centrally and entrusted to professional organizations for regeneration processing, promoting the social reuse of scrap resources.

In LEED building projects, we carry out construction waste recycling, track the amount of construction waste generated, and continuously monitor the waste diversion rate to reduce the final landfill volume of construction waste and ensure effective waste utilization.

In 2025, we launched a special initiative focused on refined material management. We issued the Notice on Updates to the Disposal Process and Control Requirements for Engineering Scrap Materials, optimizing the disposal and control processes for engineering scrap materials. This required all projects to assess whether surplus engineering materials could be allocated and reused before initiating material procurement. It also strengthened environmental responsibility requirements for suppliers, incorporating waste reduction targets and requirements into contractor contracts to continuously improve resource efficiency.

To ensure the company's systems are fully implemented, we classify and manage construction materials, with categories including metals, non-metals, carbon steel, and stainless steel. Surplus materials from engineering projects are uniformly allocated and reused by the Procurement Center. Scrap materials that cannot be internally reused are recycled for value by professional third parties, reducing resource waste.

To instill a sense of resource conservation among employees, we link material utilization rates to the monthly assessments of frontline responsible personnel such as engineers, material administrators, and project managers. We track the company's material management situation monthly. When a project has excessive surplus materials, a traceability investigation is initiated, requiring project team members to review the causes of the surplus, analyze potential areas for improvement, and implement corrective actions. In 2025, we conducted a joint special audit on resource efficiency, carrying out supervision and inspection together with the Audit Department. We analyzed opportunities for improving refined resource management, held accountable project management personnel who generated excessive surplus materials, and further enhanced the company's resource utilization effectiveness through corrective actions and system dissemination.

[Case Study] Enhancing Resource Efficiency Through Project Reviews

In 2025, the company identified potential resource waste risks in 2 construction projects through resource efficiency tracking. In response, the company required the project teams to collaboratively investigate with the procurement department. Through traceability analysis, they reviewed material management across the entire project process and implemented relevant measures based on the investigation findings. Resource waste was avoided through internal resource allocation and reuse. At the same time, we held internal experience-sharing sessions, alerting all project managers to enhance awareness of refined resource management by internally highlighting areas needing improvement.

In 2025, we conducted recycling work for waste cables, scrap iron, scrap aluminum, scrap stainless steel, and waste plastics from engineering projects, transferring these materials to qualified professional organizations for regeneration and reuse, effectively reducing waste generation.

2025 Resource Recycling and Reuse Performance

Type of Waste Material	Unit	2025
Waste Cables	Tonne	63.17
Scrap Iron	Tonne	551.96
Scrap Aluminum	Tonne	20.79
Scrap Stainless Steel	Tonne	39.38
Waste Plastics	Tonne	5.64

Ecosystem and Biodiversity Protection

BOTH deeply understands the importance of ecological health. Corporate economic activities cannot be separated from the resource guarantees provided by ecosystems. A healthy ecosystem can enhance land stability and water and soil conservation capabilities, reducing engineering risks such as landslides, mudslides, and ground subsidence, thereby lowering construction and maintenance costs. On the other hand, climate-resilient solutions are a key driver of the company's business development. The Company is committed to providing eco-friendly engineering services, assisting clients in reducing environmental risks, and enhancing the climate adaptability and sustainable development resilience of the manufacturing industry.

In project operations, we strictly implement ecological protection measures to minimize disturbance to the surrounding environment. At the same time, we actively participate in land ecological protection projects. By supporting methods like sustainable agriculture, we proactively restore and nourish ecosystems, achieving harmonious coexistence with nature.

The Company adheres to the concept of green construction, complying with laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Wildlife Protection Law of the People's Republic of China to implement relevant ecological protection measures. We focus on ecological protection in our operations, actively participate in ecological protection projects, and aim to reduce negative impacts on biodiversity.

We support the national biodiversity conservation plan, the China’ s National Biodiversity Strategy and Action Plan (2023-2030). In all business activities, priority is given to avoiding negative impacts on the ecosystem. During engineering construction, we continuously monitor indicators such as noise, wastewater, and hazardous waste, implementing all environmental protection measures to avoid negative impacts on the natural environment such as soil and water bodies surrounding the projects. In 2025, none of our project constructions involved biodiversity-sensitive areas, and there were no potentially significant ecological risks.

Additionally, BOTH participates in land ecological protection projects, helping farmers produce safe and environmentally friendly rice. Within the designated cultivation area, non-hybrid rice seeds are selected to protect biodiversity, and an annual single-cropping practice is adhered to, ensuring the soil gets adequate rest. This supports the economic development of the local countryside while simultaneously achieving soil ecological protection.

BOTH Designated Cultivation Area

Creating Long-term Value for Clients, Employees, Partners,and Society

Creating Value for Clients

Driving Industry Leadership Through Innovation

Building a Responsible Supply Chain

Employee Development and Well-being

Promoting a Sustainable Future

Creating Value for Clients

Excellent Delivery

Excellent quality management is the core of long-term value creation and earning stakeholder trust. We uphold a reputation-driven, customer-centric philosophy. Through professional, honest, pragmatic, and innovative services, we deliver high-efficiency, high-certainty, safe, and reliable full-lifecycle integrated solutions. BOTH goes beyond traditional processes and standards in quality management. We internalize quality awareness as a core organizational capability and apply lean process management to ensure project success and operational excellence, creating reliable value that exceeds client expectations.

As a high-value provider of cleanroom system integration solutions for high-tech industries, BOTH consistently follows the operational principle of "Lean Methods, Process Excellence". In compliance with the Construction Law of the People's Republic of China, Regulations on the Quality Management of Construction Projects, Administrative Regulations on the Work Safety of Construction Projects, the Code for Quality Management of Engineering Construction Enterprises, and Unified Standards for Construction Quality Acceptance of Building Engineering, we have formulated systematic quality control policies including the Project Quality Management System, Project Quality Management Plan Regulations, Project Quality Audit Regulations, and Project System Delivery Management Rules. These policies continuously improve our process management system, strengthen full-process detail control, and ensure high-quality delivery through standardized operating procedures.

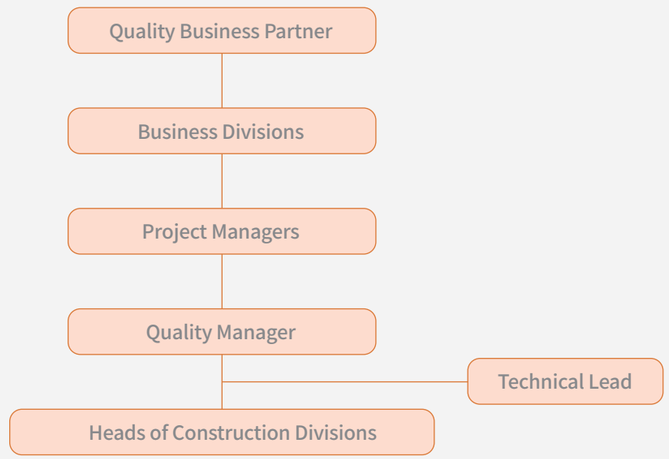
In 2025, we closely tracked updates in national regulations and industry standards and completed revisions to management specifications covering piping materials, ventilation and electrical engineering acceptance standards, process safety regulations, and other areas. These updates have strengthened the foundation of project compliance and fully leveraged our dynamic, responsive management capabilities.

Relying on a systematic quality management system and rigorous risk control mechanisms, BOTH has maintained ISO 9001 Quality Management System certification since 2007. Our subsidiaries — YOOTH Engineering Design, BOTHX Advanced Manufacturing, and Getek Molecular Filtration Technology — have also achieved and sustained this certification.

BOTH and Subsidiaries ISO 9001 Quality Management System Certification

Regarding the quality management team, we have established a vertically integrated quality management architecture. The Engineering Delivery and Resource Management Center coordinates with Quality Business Partners (QBP) from each business division. This structure extends downward to project managers and quality managers, while linking with heads of construction units and technical leads to form a layered, responsible quality management network. At the project level, quality managers lead execution in collaboration with dedicated Quality Control (QC) teams.

BOTH Quality Management Structure



BOTH Quality Risk and Opportunity Management

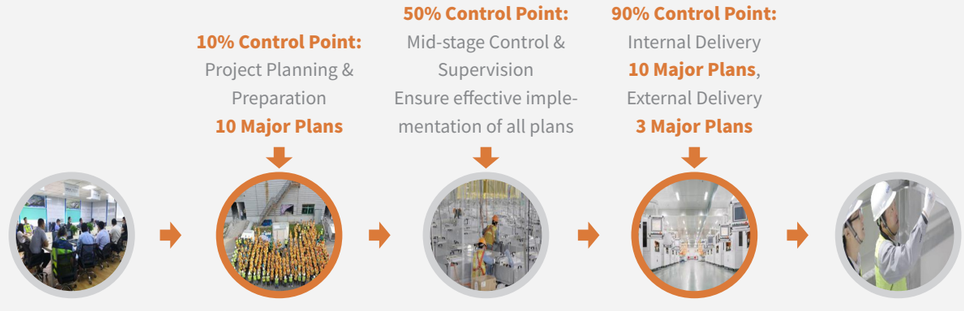
Risk Management		
Risk Type	**Potential Impact**	**Mitigation Measures**
Client Expectations & Market Competition Risk	· **Client attrition:** service quality, delivery timelines, or after-sales experience failing to meet elevated expectations, leading to reduced satisfaction and lost orders. · **Intensified competitive pressure:** fierce market competition and quality demands may weaken market position.	· **Standard alignment and communication:** strengthen early-stage communication and align quality standards and testing methods to precisely manage and meet client expectations. · **Delivery and after-sales enhancement:** optimize construction organization design to strictly control delivery schedules; enhance rapid after-sales response mechanisms to improve full-lifecycle client experience.
Technology Iteration & Operational Delivery Capability	· **Technical and quality risk:** delayed adoption of process and equipment upgrades relative to industry advancements, increasing cost pressure and unstable delivery of core cleanroom indicators. · **Resource capacity risk:** insufficient intensive utilization of facilities constraining delivery capability for large-scale, high-difficulty projects and business expansion.	· **Technology upgrade and advancement:** implement technology R&D plans and improve application of new technologies such as modular products to enhance construction precision. · **Delivery efficiency enhancement:** introduce intelligent management tools, scientifically coordinate the overall construction plan, optimize resource allocation, and fully tap the potential of existing facilities and supply.

Opportunity Management		
Opportunity Type	**Potential Impact**	**Mitigation Measures**
Market Opportunities Driven by Standards Leadership & Quality	· **Brand enhancement:** industry standard upgrades create entry barriers; benchmarking international first-class standards builds trust through superior quality stability and deepens strategic partnerships.	· **High-standard leadership:** proactively align with international benchmarks, internalize external regulations as unique corporate indicators, and use high standards to select premium projects and clients. · **Quality-Driven approach:** embed mature quality management systems and high-quality delivery case studies as core competitiveness; anchor premium clients with "certain quality".
Management Upgrade & Technological Innovation Opportunities	· **Delivery precision:** leverage modular and intelligent technologies to reduce human-induced quality fluctuations and improve core indicator compliance rates. · **Dual improvement in quality and efficiency:** optimize management processes in response to stricter regulatory trends, reduce operating costs, and enhance compliance efficiency and operational resilience.	· **Technology-enabled quality:** empower quality through digital tools for real-time data collection and analysis, shifting management from "post-inspection" to "process control". · **Continuous process optimization:** continuously optimize processes through performance-driven reviews; upgrade management capabilities via high-caliber talent teams.

We have established a comprehensive full-lifecycle quality management system for engineering projects, dividing each project into five key stages — planning, preparation, implementation & delivery, settlement & completion, and maintenance — to form a complete closed-loop management cycle. At the execution level, we strictly implement the "533" dynamic management principle. Through three milestone nodes (Kick-off Meeting, Project Delivery Review Meeting, and Summary Meeting) and three assessment evaluations, we achieve precise control of project milestones. At the same time, we deepen the "10103" planning management mechanism, coordinating 10 major management plans, 10 major internal delivery plans, and 3 major external delivery plans to ensure full-process controllability and excellent delivery of engineering quality.

BOTH Full-Lifecycle Quality Management		
Management Stage	**Management Focus**	**Key Actions**
Project Planning Stage	Early risk identification and target setting	· Organize planning including quality targets, risk prevention, and key/difficult points · Prepare preliminary quality management plan framework and integrate commercial/technical optimization solutions
Project Preparation Stage	Plan refinement and resource allocation	· Ensure feasibility analysis and implementation of the Project Quality Management Plan, covering quality targets, organizational structure, material verification, training, process control (inspection lot division), and audit schemes
Project Implementation & Delivery Stage	Process execution and dynamic control; implement process inspection, critical process control, and handover acceptance	· Execute around the "10 Major Management Plans" (e.g., material verification, pressure piping management, system commissioning and testing) · Prepare "10 Major Internal Delivery Work Plans" (e.g., unfinished work rectification and system acceptance); convene Project Delivery Review Meeting when project progress reaches 95%
Project Settlement & Completion Stage	Acceptance and settlement (material inventory, as-built documentation delivery, etc.)	· Prepare "3 Major External Delivery Work Plans" (acceptance, documentation, settlement) to ensure all non-conformities are closed before the warranty period
Project Maintenance Stage	Maintenance response and defect resolution	· Implement maintenance plan to ensure 100% defect rectification rate

BOTH "1590" Project Management Stages



To ensure follow-up and tracking of project quality management, the company's overall quality management objectives are broken down into specific indicators that are embedded throughout the entire project lifecycle. Through rigorous follow-up and implementation, all projects delivered by the company in 2025 fully achieved the established quality objectives.

2025 Quality Management Targets and Achievement

Management Stage	Achievement
Ensure projects are completed on schedule	✓
Sub-item construction: one-time acceptance pass rate ⩾ 95%	✓
Strictly execute all inspections per general contractor and management company standards	✓
Provide training to on-site personnel to ensure work capability meets project requirements	✓
Strictly and diligently execute first-installation confirmation and concealed work acceptance processes to effectively guarantee project quality	✓
Contract fulfilment rate 100%	✓

In 2025, we continued to deepen quality management system development and improve management effectiveness across multiple dimensions. In terms of institutional development, we conducted gap analysis and refinement of relevant regulations and standards, strengthened compliance requirements and operational specifications, and implemented system patch work. During the reporting period, we updated special operating standards for critical processes such as pressure piping installation and epoxy flooring construction in line with the latest regulations and industry standards, while simultaneously optimizing the decision-making mechanism of the Engineering Technology Committee.

In technical standards and experience accumulation, we integrated past project experience to compile the Compilation of Common Construction Quality Defects. This document analyses root causes of common problems and frequently occurring defects in various systems and formulates preventive measures, effectively reducing the occurrence rate of common quality defects during execution. Additionally, to strengthen refined management, we upgraded the Project Quality Management Plan Template to provide more detailed closed-loop control of key nodes including materials, personnel, technology, and risk, thereby improving execution precision and risk prevention capabilities.

BOTH prioritizes building quality management culture and continuously conducts multi-level training for quality-related personnel. For routine training, the Engineering Delivery and Resource Management Center adopts a dynamic training model that combines online and offline methods tailored to actual project needs to ensure timely and effective knowledge transfer. To reinforce the "quality red line" awareness among all employees, we have designated 23 June each year as "Quality Alert Day". Through comprehensive quality system reviews, in-depth debrief of past quality incidents, and thorough on-site hazard inspections, we deliver warning education to all levels of management and frontline workers. Activities include quality case presentations, special site inspections, and closed-loop summaries. In addition, we have developed and are systematically advancing a specialized series of training programs for engineers and key quality management personnel to enhance the quality management capabilities of our core team.

Quality Alert Day Event Site

[Case Study] Specialized Full-Lifecycle Quality Management Capability Enhancement Training for Engineers

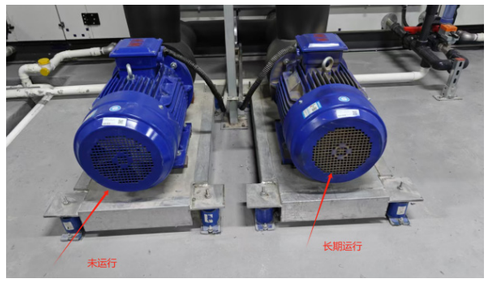
In 2025, we focused on engineers and key quality management personnel and launched a specialized full-lifecycle quality management empowerment training program aimed at building a highly professional quality management team. The training content forms a complete knowledge map from "system understanding" to "practical implementation", covering topics such as:

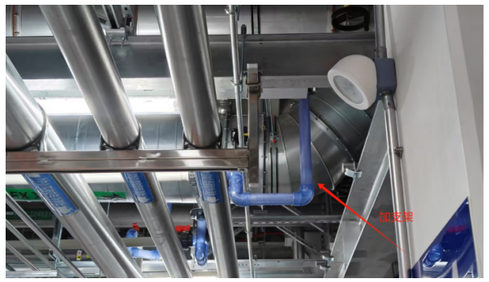
- Institutional processes and planning management: in-depth interpretation of project quality management system architecture and clear procedures for quality plan preparation and execution.
- Work instructions and process control: systematic introduction of work instruction application standards and update mechanisms, strengthening construction quality standards and inspection methods for critical processes and special operations.
- Material receipt and verification management: detailed review of equipment and material verification processes, responsibility division, and defect handling mechanisms to enhance material identification and control capabilities.
- Model-leading and practical implementation: full rollout of the "model-leading" mechanism, clarifying implementation plans, site selection, acceptance standards, and on-site briefing requirements for model projects.

[Case Study] Project Quality Follow-up and Operational Optimization Practices

In 2025, at the one-year operational milestone of a major industrial plant project, we organized a technical expert team to conduct an in-depth quality follow-up visit. The inspection focused on core process systems and cleanroom environmental control systems and confirmed stable overall project operation with all performance indicators remaining excellent.

While verifying current operating status, the team leveraged professional expertise to proactively identify potential risks. Targeted preventive rectification recommendations were provided for issues including potential equipment ageing risks, installation detail deviations, and areas for optimization in system operation logic identified during the visit. In addition, we proactively offered clients energy-saving and consumption-reducing solutions, including optimization of cold-source supply and airflow organization adjustments, helping clients reduce operating costs while maintaining efficient system performance.





Quality Review Inspection and Optimization Suggestions (Examples)

Selected 2025 Project Awards

Project / Awarding Entity	Award Title
Hua Hong Manufacturing (Wuxi) Project	Outstanding Quality Team
CXMT Integration (Beijing) Storage Technology Co., Ltd	Outstanding General Contractor of the Year 2024
Phase II Facility MEP Project of CXMT Hefei 12-inch Memory Wafer Manufacturing Base	Best Dedication Award
Jiangsu Sinopep-Allsino Biopharmaceutical Co., Ltd.	Outstanding Project Management Team
Zhejiang Clongene Biotech Co., Ltd.	Third Prize for Outstanding Special Construction Scheme
GalaxyCore Inc.	Best Partner of 2025
Zhuzhou CRRC Medium and Low Voltage Power Device Project	Best Partner
Shanghai Bracco Sine Pharmaceutical Renovation Project	Outstanding Contractor
CXMT Corporation	2024 Outstanding Management Team

Outstanding Quality Team

Outstanding General Contractor

Outstanding Project Management Team

Best Dedication Award

Best Partner Award

Best Partner Award

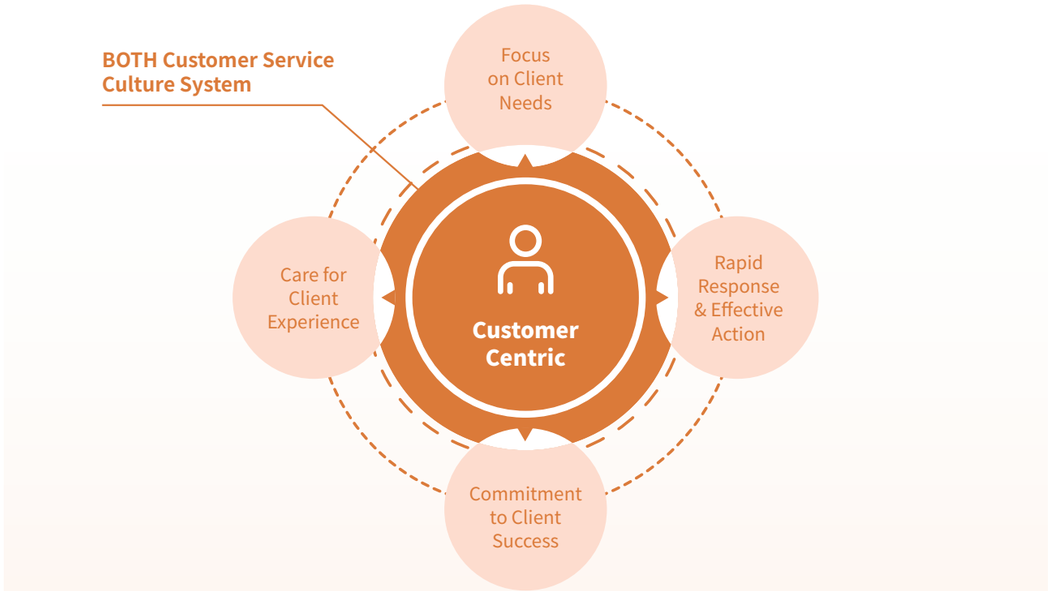
Outstanding Contractor

Operational Excellence Award

Customer Service

We position customer service as a commitment to long-term value co-creation. We ensure partnership stability through rigorous source-risk control, enhance response immediacy via regionalized service networks, and actively participate in industry collaboration platforms to explore sustainable development pathways. We always adhere to the business philosophy of "Achieving Client Success and Creating Value for Clients" and strive to become a trusted strategic partner, safeguarding value throughout the full project lifecycle and jointly achieving high-quality development goals.

We have always regarded "customer-centric" as the core tenet of development. BOTH has built a service culture system encompassing four dimensions: "Focus on Client Needs", "Rapid Response and Effective Action", "Commitment to Client Success", and "Care for Client Experience". We consistently think from the client's perspective and meet their needs through professional services to achieve mutual benefit and win-win outcomes.



We have set customer satisfaction as a key performance indicator for all business divisions and units, with a target orientation of 100% satisfaction. We have established an evaluation system centered on delivery outcomes, with particular focus on actual client feedback and complaints. Through a strict red-line management mechanism, "zero major complaints and zero litigation disputes" serves as the baseline for service qualification. This approach fosters a high sense of responsibility among all employees in daily communication and feedback handling, safeguarding client service experience.

In customer service risk management, we adhere to a "client-centered" risk control strategy and advocate avoiding partnership risks at the source through rigorous upfront screening to ensure partnership stability and sustainability. We have established a strict business opportunity risk assessment mechanism that initiates comprehensive risk evaluation from the information acquisition stage, systematically considering key factors including clients' ability to fulfill obligations and potential legal disputes. We apply differentiated risk control strategies for different client types and utilize efficient risk assessment mechanisms to ensure client projects proceed efficiently with low-risk, demonstrating our responsibility to our clients.

To respond more nimbly to client needs, we actively promote regionalized service layout. In 2025, we established regional offices in Wuhan, Beijing, and other locations and formally launched the Southwest BU in Chengdu. These regional offices have created an integrated service model combining service, business, and resources, forming frontline positions for localized client service and demand response, precise project information acquisition in coordination with headquarters, and deep cultivation of local government and association resources. Through the establishment of regional offices, we have not only rooted services locally but also provided clients with comprehensive support from project landing to long-term operation.

Industry exchange is an important initiative for BOTH to proactively reach out to clients and enhances pre-emptive offerings. We actively participate in domestic and international industry exhibitions and technical exchange conferences, sharing successful case studies and cutting-edge technologies to help clients broaden their perspectives and provide professional support for their project decisions. In 2025, our exhibitions and participation covered core business areas including cleanroom technology, semiconductors, pharmaceutical equipment, and display technology.

[Case Study] Sharing Innovative Practices in GMP Factory Construction and Building a New Modular Ecosystem

With the rapid development of the biopharmaceutical industry and the fast iteration of new drugs and processes, there is an urgent demand for flexible factory construction and modular cleanrooms. To address this industry trend and drive technological innovation, the Company's subsidiary, BOTHX Advanced Manufacturing was invited to participate in the 2025 Annual Conference of the China Pharmaceutical Association of Plant Engineering (CPAPE).

At the Biopharmaceutical Technology Forum, the General Manager of BOTHX Advanced Manufacturing delivered a keynote speech, deeply sharing practical experience in constructing new modular GMP (Good Manufacturing Practice) factories. Drawing on the Company's 30 years of industry accumulation, the presentation comprehensively introduced the "BOTHX Modular GMP Factory Solution", demonstrating how modular technology can effectively accelerate product-to-market timelines, showcasing rapid response capabilities under GMP standards, and advocating the joint construction of a modular ecosystem to support collaborative upgrading across the industrial chain.

2025 Exhibition and Exchange Activities

Data Security and Privacy Protection

BOTH firmly believes that data security and the protection of customer privacy constitute the cornerstones of sound corporate governance and are essential to earning stakeholder trust. We embed data security principles deeply into our business operations and corporate culture, extending this responsibility across the entire value chain, including employees and business partners. Through these efforts, we are committed to building a secure and trusted digital environment for all stakeholders, thereby supporting the Company's long-term sustainable development.

The Company strictly complies with applicable laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. We have established a comprehensive suite of internal policies

and procedures, such as the Information System Operation and Maintenance Security Management Guidelines, Information System User Access Management Guidelines, and Confidentiality Management Regulations. These frameworks are continuously refined to strengthen data governance and ensure robust compliance management.

From the perspective of governance structure, BOTH has established a dedicated Process and IT Systems Management Department to coordinate all data security-related matters. This department is responsible for the overall planning, coordination, and implementation of data security governance. In 2025, the Company continued to advance its "BOTH Digital Blueprint", developing a systematic, standardized, and professional data ecosystem. Through continuous upgrades to data security technologies and management practices, we further enhanced our capabilities in safeguarding data security and protecting customer privacy.

To strengthen data governance and security, BOTH has adopted a strategic management approach centered on "Compliance Assurance, Risk Protection, Business Development, and Value Realization." Under this framework, the Company systematically advances its data security capabilities and builds a solid, resilient, and sustainable data security foundation. During the reporting period, the Company coordinated the development and continuous improvement of four core supporting systems: Management System, Technology System, Operational System, and Supervisory System. Through the integrated application of policy frameworks, technical safeguards, operational coordination, and oversight mechanisms, we ensure comprehensive coverage of data security requirements across the entire data lifecycle. Supported by these four pillars, BOTH is progressively achieving deeper integration between data security and business development. While effectively mitigating data security and compliance risks, we continue to unlock the value of data assets, thereby contributing to the Company's high-quality development.

BOTH Data Security and Customer Privacy Protection: Risk Identification and Response

Key Risk Types	Time range of Impact	Potential Impact	Measures
Cybersecurity Risks	Medium-to-Long Term	Decline in operating revenue resulting from system attacks or business interruptions	Guided by the "BOTH Digital Blueprint," systematically advance the development of data security capabilities to enhance cybersecurity defenses and emergency response capabilities
Data Leakage Risks	Medium-to-Long Term	Compliance penalties, compensation costs, and reputational damage triggered by data breaches; increased compliance costs	Mitigate data leakage risks by implementing a dual strategy of process standardization and technical safeguards to strengthen controls across the entire data lifecycle—including storage, access, and transmission
Legal and Compliance Risks	Medium-to-Long Term	Fines, litigation, and increased operating costs resulting from violations of data protection and privacy laws and regulations	Continuously benchmark against relevant laws, regulations, and regulatory requirements; refine data compliance management mechanisms; and strengthen internal oversight to ensure compliant operations

Data Security Management System

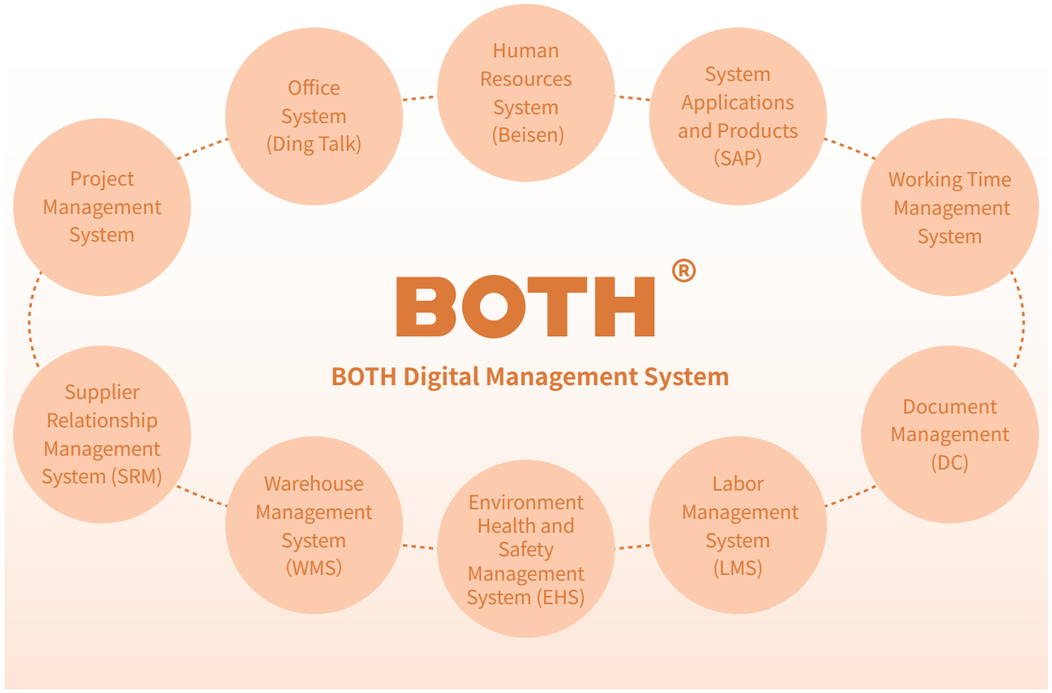
To effectively prevent data leakage and mitigate information security risks, BOTH adopts a multi-dimensional approach to advancing data security and privacy protection. Our efforts cover key areas, including access control, system protection, third-party management, and employee awareness building, forming a comprehensive data security management mechanism that supports stable business operations and regulatory compliance.

BOTH Key Data Security Management Measures for 2025

Category	Key Measures
Access Control	Manage IT personnel privileges via a Jump Server (Bastion Host); allocate system accounts, shared drive access, and data access permissions based on specific job responsibilities; and periodically update account passwords.
Technical & System Protection	Operate work computers in an encrypted system environment; deploy firewalls to prevent unauthorized access; and disable external devices (such as USB drives) by default.
Data Usage & Storage Management	Establish clear guidelines for shared drive usage, differentiate between file preview, download, and modification permissions.
Operations, Maintenance & Audit Oversight	Conduct periodic audits of system logs, network logs, and data backups.
Third-Party Confidentiality Management	Sign "Confidentiality Commitments" with contractors, requiring them to implement measures to protect personal information and ensure data security.
Employee Awareness & Capacity Building	Require all employees to sign a "Non-Disclosure Agreement"; conduct standardized information security training during the employee onboarding phase; and organize quarterly information security training sessions for the entire workforce.

The "BOTH Digital Blueprint" establishes an end-to-end management framework covering "assessment, governance, technology, operations, and oversight." The framework begins with comprehensive data security assessments to identify the Company's current security posture and key risk areas, laying a solid foundation for subsequent governance initiatives. Leveraging advanced technologies such as data encryption, access control, data anonymization, and firewalls, BOTH has developed a multi-layered and holistic data security defense system. This approach enables the Company to evolve its data security practices from basic compliance requirements toward business operations and value creation, ensuring the security of data assets while supporting resilient and stable operations.

In 2025, the Company further strengthened its digital platform by deploying and optimizing three management systems: the Warehouse Management System (WMS), Supplier Relationship Management (SRM) system, and System Applications & Products (SAP) ERP system. These systems facilitate centralized management and real-time monitoring of critical business data, significantly enhancing data governance capabilities and operational efficiency, and providing strong support for the Company's digital transformation and high-quality development.



Data Security Capability Building

BOTH places strong emphasis on information security and data protection by continuously promoting awareness and delivering targeted training programs. These initiatives aim to enhance employees' risk awareness and ensure that management requirements are fully understood and effectively implemented across the organization. During the reporting period, the Company established clear objectives for information security awareness programs and implemented a regular training mechanism to ensure comprehensive employee participation and adherence to relevant policies.

BOTH Data Security and Customer Privacy Protection Objectives

Target	Progress by 2025
Employee coverage for information security awareness training: 100%	Achieved

In 2025, the Process and IT Systems Management Department organized quarterly thematic training sessions on information security. Leveraging the Beisen online learning platform, training content was delivered to all employees, achieving a 100% training coverage rate. Training topics were closely aligned with business practices and emerging trends, covering areas such as "Cybersecurity: The DeepSeek Perspective," "Information Security: Opening the Box to Catch People," and "The Proper Handling of Confidential Information." These initiatives further standardized the acquisition, use, and transmission of sensitive information across the Company.

[Case Study] Data Security Training Program

In 2025, BOTH conducted a dedicated training program under the theme of "The Proper Handling of Confidential Information." The program focused on standardized requirements throughout the lifecycle of sensitive information, including acquisition, usage, storage, and transmission. Through case studies and practical guidance, the training clearly defined employees' responsibilities and compliance obligations in handling confidential information. This initiative strengthened employees' ability to identify risks associated with sensitive information, reduced the likelihood of data leakage caused by improper handling, and further enhanced the standardization and controllability of confidential information management.

Data Security Training Course

In 2025, BOTH did not experience any data breaches that resulted in significant operational losses. In addition, the Company recorded no incidents of non-compliance with data security and customer privacy protection laws and regulations that led to regulatory penalties.

Driving Industry Leadership Through Innovation

Technology R&D and Innovation

Innovation-driven development is the core engine of BOTH's growth. We adopt the "Modular + BIM" dual-drive strategy, systematically enhancing engineering efficiency and quality through factory-based manufacturing and digital technologies. We are committed to transforming innovation outcomes into energy-saving, high-efficiency, and compliant solutions, working hand-in-hand with clients and partners to build a sustainable industrial future.

We closely integrate our R&D strategy into the overall corporate development strategy and strictly comply with national laws and regulations, including the Patent Law of the People's Republic of China, Law of the People's Republic of China on Scientific and Technological Progress, and the Standardization Law of the People's Republic of China, as well as relevant industry standards. Guided by the R&D philosophy of "Value-Oriented, Market-Driven", we have formulated the R&D Management System to standardize the full process of project initiation, implementation, acceptance, and commercialization of results, ensuring that R&D topics align with the Company's long-term planning and technical capabilities.

We have established a robust hierarchical management system to ensure effective leadership and oversight of our innovation strategy. At the strategic leadership and organizational level, the Board of Directors is responsible for top-level design and supervision of the innovation strategy. As the core subsidiary for modular R&D, BOTHX Advanced Manufacturing's General Manager reports directly to the Chairman, guaranteeing rapid response and execution of key R&D strategies. In 2025, we integrated Anhui YOOTH Engineering Co., Ltd. and officially established the BOTH Design Institute, driving the business model transformation from traditional EPC (Engineering, Procurement, Construction) to integrated EPFC. At the functional division and process control level, we have built a multi-tier governance framework with clear accountability mechanisms.

BOTH R&D Governance System

Technology R&D Centre	Project Leaders	Finance Department & Audit Department	General Manager & Responsible Leaders
Oversees system improvement, annual planning, and full-lifecycle project management	Serve as the first person responsible for the independence and originality of the R&D process	Responsible for R&D expense collection, accounting, and special audits	Provide final approval for annual topics, project initiation reports, and implementation plans

Combining the internal and external environment in 2025 with the Company's actual development situation, we comprehensively identified risks such as technological lag and overseas compliance risks, as well as opportunities including EPFC business transformation and global expansion. Based on this assessment, we formulated comprehensive response measures covering technological upgrades, system development, and overseas solutions.

2025 R&D Innovation Risks and Opportunities Identification and Management

Opportunity Management

Opportunity Type	Potential Impact	Response Measures
Business Model Upgrade	**Increased value-added:** Transition from pure construction to integrated EPFC services, enhancing value across the industrial chain.	Implement EPFC integration strategy; combine design and manufacturing resources to deliver full-process solutions and strengthen client stickiness.
Modular Technology Deepening & Productization	**Precise pain-point resolution:** Combine "customized design + standardized products" with BIM and modular technology to address multi-sector client challenges and deliver high-quality customized solutions.	Leverage extensive plant construction and management experience to optimize solutions from the client perspective (energy saving, safety, quality, future application); build core competitiveness through deepened design and modular products.
Overseas Market Expansion & Strategic Layout	**Incremental growth:** Overcome overseas market barriers and establish global leadership in engineering and process equipment modularization, creating resource feedback to domestic operations.	Plan overseas implementation capabilities for engineering modular solutions; gradually transition from single-project engineering to integrated "engineering + process equipment modularization" solutions.

Risk Management

Risk Type	Potential Impact	Response Measures
Technology & Equipment Iteration Lag	Declining competitiveness: Outdated technology and equipment increase construction costs and weaken market position.	Execute technology breakthrough and equipment upgrade plans; focus on software development, system integration, and intelligent upgrades.

Risk Management

Risk Type	Potential Impact	Response Measures
Overseas Compliance & Supply Chain Management	Market access barriers: Failure to meet high overseas regulatory requirements (drawing review, certification, construction quality) may prevent acceptance and recognition in overseas markets.	Establish fabrication systems compliant with European and American standards; ensure drawing and material certification compliance; expand overseas supply chains and strengthen on-site construction control to achieve full-process compliance.
Complexity of Multi-Sector Technology Application	Technical and market risks: multi-sector (biopharma, lithium batteries) and multi-scenario (new build, retrofit) applications face high technical validation risks and market uncertainty.	Continuously conduct technical validation and accumulate cross-sector experience; diversify single-market risk through cross-sector expansion and gradually reduce multi-scenario application risks.

Based on the assessment of industry opportunities and potential risks, we have established the "Modular + BIM" dual-drive R&D strategy, focusing on four key pillars: engineering modularization, functional modules, BIM technology application, and cleanroom products. We continuously promote the application of "Four New" technologies. In 2025, we concentrated on cleanroom modular innovation, deepened our self-developed BIM software ecosystem to elevate full-process digitalization, and, in alignment with our overseas strategy, developed modular overseas integrated solutions tailored for Southeast Asia and North America. We made breakthroughs in sea-transport logistics optimization, overseas material standard compliance, and construction organization adaptation to create internationally competitive, high-standard products. We also proactively benchmarked international standards (such as Malaysia's restricted substance testing and energy-efficiency certification for electronic and electrical products) to develop low-carbon products meeting green control requirements.

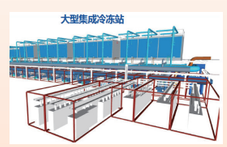
Guided by its R&D strategy, the company focuses on modular process design, compliance capability development, and integrated software platform development, while constantly exploring cutting-edge technologies to drive the advancement of its R&D innovation and enhance the quality of its products and services.

Modular Technology Empowering Sustainable Value Creation

Process Design Technology

Green Layout & Compliance:

- Modularization and Resource Optimization: Modular layout based on client needs reduces space occupation through "functional zoning + logistics optimization"; standardized interface design supports flexible production line adjustment and future expansion, extending asset lifecycle.
- High-Standard Compliance & Risk Control: Strictly adhere to international pharmaceutical norms and ISO Class 1–8 cleanroom grades; use differentiated isolation technology to establish effective barriers and prevent cross-contamination at source.



Energy Efficiency Improvement & Low-Carbon Construction:

- Precise Environmental Control: Patent lightweight high-strength composite panels form modular cleanroom enclosures, achieving A-level cleanliness while enabling lightweight energy saving; integrated process flow and airflow organization design precisely controls environmental energy consumption and reduces operational carbon footprint.
- Integrated Delivery: Modular integration of process equipment enables overall delivery of core production units, improving construction efficiency, shortening on-site timelines, and reducing construction waste and dust emissions.

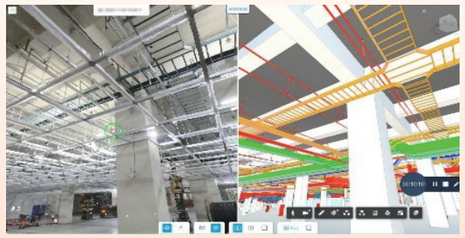
Integrated Software Platform

Digital Governance & Intelligent Decision-Making:

- Intelligent Design for Cost and Efficiency: BIM + AI full-discipline collaborative design with AI algorithms optimizes module division and material utilization, increasing design efficiency by over 40% and reducing material redundancy and waste at the design source.
- Full-Process Traceability: Intelligent BOM system and quality traceability platform uses unique component coding for end-to-end data tracking from design to manufacturing, enhancing supply-chain transparency and quality management.

Digital Collaboration & Risk Avoidance:

- Virtual Pre-assembly Technology: Parametric family libraries and virtual pre-assembly identify and eliminate on-site conflicts in advance, significantly reducing rework rates and resource consumption to achieve lean construction.



In 2025, BOTH strategically focused on three core areas — engineering prefabricated modularization, functional products, and digital management — to continuously strengthen our technological innovation capabilities. In terms of R&D outcomes, we successfully implemented prefabricated applications such as modular plant rooms and electromechanical integrated ceilings, developed cleanroom environments and intelligent sterilization systems tailored for advanced medical manufacturing, and enhanced BIM model accuracy by introducing 3D laser scanning and standardized family libraries. As of the end of the reporting period, we have released and deployed 9 self-developed BIM software modules, covering structural, MEP, cable tray, filter, and other specialized disciplines, along with plug-in management functions.

2025 R&D Achievements

NO.1 Over 100 patents and construction methods coverig modular enclosure structures,cleanroom systems, and automation technologies, including core innovations such as modular component levelling platforms and cleanroom composite panels.

NO.2 Participated in fommulating 13 industry standards and secured 7 copyrights in the BIM software domain.

BOTH BIM Software Copyrights (Partial)

We continue to attract high-calibre technical talent. The proportion of PhDs, Master’s degree holders, and senior engineers in our R&D team now exceeds 30%. In 2025, we recruited an additional 6 R&D personnel, including doctoral and master’s graduates.

We actively strengthened our industry-academia-research system, conducting joint R&D on cleanroom sterilization technology with the Tsinghua University Wuxi Institute of Applied Technology and engaging in academic exchanges with Jiangnan University’s School of Internet of Things Engineering. We also joined multiple industry associations, including the CCUA Data Center Association and the China Semiconductor Industry Association, to deepen industry linkages and resource integration.

[Case Study] New Display Module Production Base Project —Digital Construction Application in High-Tech Plants

As a benchmark project in our cleanroom portfolio, this new display module production base spans over 50,000 m² and required completion of more than ten specialized systems (decoration, HVAC, gases, automation, etc.) plus partial retrofits within 300+ days, presenting dual challenges of system complexity and tight timelines.

We assembled a dedicated BIM team and deeply applied the latest BIM management platform across the entire project. Utilizing 3D modelling, clash detection, laser scanning, and BIM + AI technologies, we created a high-precision digital twin that achieved millimeter-level integration between the virtual model and the physical site. This approach not only provided stakeholders with intuitive visual design solutions and seamless design-construction linkage but also enabled real-time progress comparison and verification, ensuring traceability and control of schedule, quality, and environmental performance. Through digital rehearsal, the project effectively avoided construction conflicts, substantially reduced rework and material waste, and eliminated 40% of budget-overrun changes. While ensuring high-quality delivery, this initiative demonstrated the supportive role of digital technology in green and low-carbon development through source-level pollution and consumption reduction.

The project won the Second Prize in the 10th Jiangsu Province Installation Industry BIM Technology Application Competition.

BOTH 2025 R&D Targets and Performance

Indicator	Unit	2025 Performance
R&D investment amount	RMB million	6.34
R&D investment as % of revenue	%	0.15
Number of R&D personnel	Persons	11
Patent applications during the period	Items	16
Patents granted during the period	Items	14
Valid patents at period end	Items	110
Invention patents applied to main business	Items	3

Intellectual Property Protection

At BOTH, intellectual property is not only a legal right but also a strategic asset that drives innovation and builds core competitiveness. We have established standardized management processes and incentive mechanisms to systematically convert employees' innovative achievements into legally protected intellectual property.

We strictly comply with laws and regulations such as the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China, and have formulated the Patent Management Regulations to standardize intellectual property protection. We have built a patent management architecture comprising the decision-making, review, and execution layers, and established a standardized process from idea collection and expert evaluation to application preparation. Through regular planning, rigorous screening of projects, and collaboration with external professional institutions, we achieve systematic patent mining and highly efficient process control.

BOTH Patent Management Architecture

Decision Approval Layer: Company Chief Engineer

- Responsible for approving the annual patent plan and the final project initiation list.

Technical Review Layer: Engineering Technology Committee

- Conducts professional evaluation and decision-making voting on patent concepts.

Organizational Execution Layer: Technology R&D and Management Center

- Coordinates the full process of planning, collection, screening, review organisation, and external liaison.

Implementation Collaboration Layer: Inventors and third-party patent agencies

- Responsible for technical solution refinement and professional application agency services.

BOTH Patent Management Process

1 Planning & Collection

- Formulate the plan in Q4 each year and complete idea collection before January of the following year.
- The Technology R&D and Management Centre prepares the annual plan, launches company-wide idea collection, and compiles the Annual Patent Concept List.

2 Evaluation & Initiation

- The Technology R&D and Management Centre conducts literature search and analysis.
- Organizes review meetings of the Engineering Technology Committee; the Chief Engineer finalises the patent concept list.

3 Preparation & Docking

- Organizes inventors to prepare the Patent Technology Disclosure.
- Facilitates discussion between inventors and third-party agents to determine the scope and form of protection.

We uphold the principle of honest business conduct and strictly adhere to the bottom line of not infringing on others' intellectual property. We have built a comprehensive patent protection and risk control system. By appointing dedicated IP managers and collaborating with law firms and third-party institutions, we strengthen intellectual property analysis. For overseas operations, during the reporting period we conducted searches and analyses of 150 relevant patents to avoid R&D infringement risks and worked closely with customs departments to address declaration and clearance challenges. In addition, through the implementation of our points-based incentive system, we significantly increased the number of R&D proposals, driving 16 patent applications and 14 grants in 2025, exceeding the annual targets.

BOTH 2025 Patent Application Targets and Achievement

Indicator	Target (items)	2025 Achievement (items)
Annual patent applications	15	16
Annual patent acceptances	10	16
Annual patent grants	/	14

[Case Study] Green Technology Patent – Energy-Saving Cleanroom Air Conditioning System Based on Process Exhaust Recovery

BOTH is committed to driving energy conservation and emission reduction through technological innovation. In 2025, we independently developed the "Energy-Saving Cleanroom Air Conditioning System Based on Process Exhaust Recovery". This technology breaks through the traditional bottleneck of high energy consumption in cleanroom air conditioning by optimizing airflow organization and using fan systems to recover process exhaust from clean workshops and recycle it into air handling units. The solution significantly reduces the energy load required for fresh air treatment without additional equipment investment, markedly improving overall system operating efficiency. The application of this patented technology will effectively lower energy consumption and carbon emissions during operation.

Building a Responsible Supply Chain

A sustainable supply chain is an extension of value co-creation. BOTH integrates Environmental, Social and Governance (ESG) principles into supplier onboarding, evaluation, and collaboration processes. We are committed to working alongside our partners to build a responsible, resilient, and value-driven supply chain ecosystem that delivers long-term sustainable value.

To support sustainable supply chain development, the Company has established a robust governance framework and institutional foundation. We have formulated and implemented a series of policies, including the Procurement Management Policy, Supplier Management Policy, and Labor Subcontracting and Specialized Engineering Services Subcontracting Management Guidelines. These policies standardize key processes such as supplier onboarding, evaluation, and auditing. The Company identifies and categorizes supply chain risks based on procurement value and business type, enabling differentiated risk management and ensuring that major procurement activities are conducted in full compliance with applicable requirements. This approach provides a solid institutional safeguard for supply chain stability and risk prevention.

BOTH has established a Supply Chain Management Committee as the core decision-making body for supply chain governance. The Committee is responsible for reviewing major business matters, deliberating on relevant policies, and overseeing annual evaluations. It is led by the General Manager, with participation from business unit heads as well as representatives from commercial audit and finance functions. Meetings are convened on an irregular basis as required. Under the leadership of the Committee, the Supply Chain Management Center is responsible for day-to-day operations, covering procurement, materials management, logistics & customs, and trade functions. Through centralized procurement, standardized inventory management, on-site support, and end-to-end oversight, the Company continuously enhances the standardization and coordination of supply chain management.

Amid increasing volatility in raw material prices, evolving regulatory environments, and growing global uncertainties, BOTH systematically identifies and assesses supply chain-related risks. By strengthening policies and procedures, enhancing supplier management, and promoting localization strategies, the Company continuously improves supply chain resilience and risk resistance, ensuring stable business operations.

BOTH Supply Chain Management: Risk Identification and Response

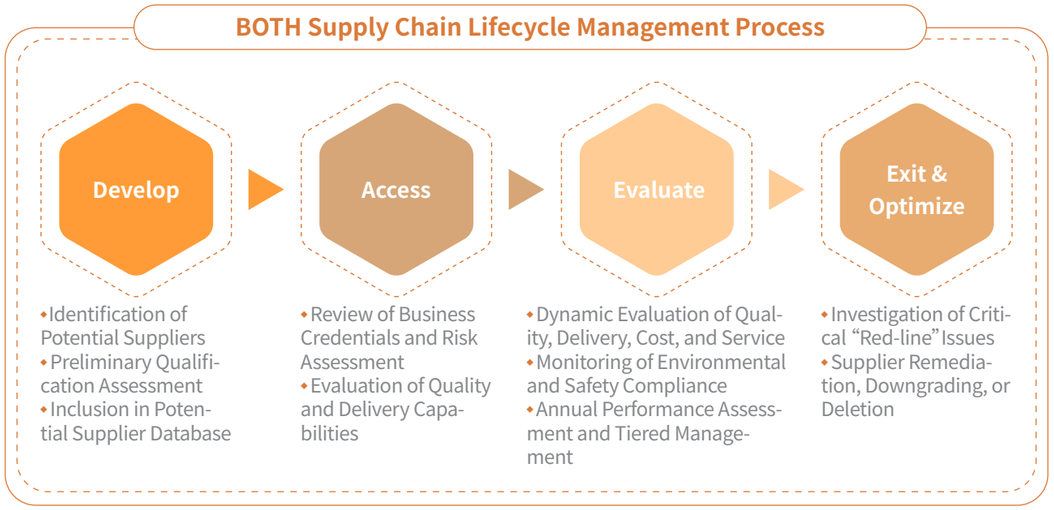
Risk Types	Time frame of Impact	Potential Impact	Response Measures
Equipment, raw material quality and cost risks	Medium-to-Long Term	• Operating income decline • Increased operating and compliance costs	• Develop reasonable annual procurement plans and flexibly adjust procurement strategies according to market changes. • Accelerate the process of domestic substitution and reasonably control procurement costs through centralized procurement and business negotiations.
External environment and policy fluctuation risks	Medium-to-Long Term	• Procurement costs rise • Unstable supply	• Closely monitor policy changes and international relations, and strengthen core suppliers' cooperation. • Enhance supply chain resilience through diversified sourcing channels and long-term cooperation agreements.

Supplier Management

Aligned with project requirements and strategic development objectives, BOTH has established a full lifecycle supplier management mechanism covering supplier development, evaluation, classification, and ongoing monitoring. During the supplier development stage, the procurement function actively identifies and develops potential suppliers based on project needs and supply chain security considerations. Qualified suppliers are selected through rigorous assessment processes and incorporated into a centralized supplier pool, laying the foundation for future collaboration.

At the supplier evaluation and onboarding stage, the Company conducts systematic risk assessments of prospective suppliers, focusing on key aspects such as business qualifications, operational credibility, and compliance status. Quality certification reviews are also performed on equipment and materials. BOTH evaluates suppliers based on the "Q.C.D.S." principles—Quality, Cost, Delivery, and Service—while also recognizing international certifications such as ISO 14001 and ISO 45001 as value-added indicators. These certifications are closely monitored to encourage suppliers to continuously enhance their management practices. Based on annual evaluation results, suppliers are categorized and managed accordingly, and the outcomes are applied to subsequent procurement decisions to continuously optimize the supply chain structure.

In addition, the Company has established a supplier review and corrective action mechanism. For suppliers identified with environmental or safety "red-line" issues, targeted investigations are conducted. Environmental and safety requirements are embedded into contractual terms to clearly define responsibilities and obligations. Through this end-to-end management approach, BOTH continuously enhances the safety, compliance, and sustainability of its supply chain.



Sustainable Supply Chain Development

As sustainability continues to gain strategic importance, BOTH regards sustainable supply chain management as a key lever for enhancing operational resilience and long-term value creation. Through ongoing policy updates and system optimization, the Company systematically integrates ESG requirements into its supply chain management framework. ESG factors are embedded into supplier onboarding and day-to-day management processes, with comprehensive assessments conducted across multiple dimensions, including labor rights, business ethics, quality and safety management, and environmental impact. While ensuring supplier quality and operational stability, these measures drive the supply chain toward greater compliance, transparency, and sustainability, reinforcing BOTH's commitment to responsible business practices and long-term value creation.

BOTH Supplier ESG Management System

Dimension	Specific Points
Quality Management	•Requires suppliers to strictly adhere to relevant safety production requirements throughout the product manufacturing, storage, and transportation processes. •Continuously safeguards the quality and safety of products and services during supplier onboarding and collaboration through methods such as incoming inspections, quality incident tracking, on-site audits, and third-party certifications. •In 2025, the Company strengthened its oversight of supplier quality certifications; a total of 675 suppliers obtained ISO 9001 Quality Management System certification, representing a 44% increase compared to 2024.
Environmental Protection	•Incorporates environmental management requirements into contractual terms, explicitly mandating that suppliers comply with relevant environmental standards and product specifications regarding wastewater discharge and pollutant disposal. •Embeds energy conservation and environmental protection requirements into procurement contracts. •In 2025, the Company strengthened its oversight of supplier environmental management certifications; a total of 494 suppliers obtained ISO 14001 Environmental Management System certification, representing a 48% increase compared to 2024.
Labor Rights	•For subcontractors required to perform work at construction sites, contractual terms explicitly define safety management responsibilities and requirements to safeguard the health and safety of on-site personnel. •Strictly prohibits subcontractors from employing child labor, while also encouraging subcontractors and contractors to regularly submit wage payment records to the Company to protect the labor rights of workers. •In 2025, the Company strengthened its oversight of supplier occupational health and safety certifications; a total of 443 suppliers obtained ISO 45001 Occupational Health and Safety Management System certification, representing a 45% increase compared to 2024.
Business Ethics	•Strictly complies with laws and regulations regarding anti-corruption and anti-unfair competition, and resolutely opposes any form of corruption, bribery, or improper transfer of benefits. •Requires subcontractors to sign a "Commitment to Integrity and Ethics."

In advancing a sustainable supply chain, BOTH continues to promote resource efficiency and green procurement practices. In contracts signed with subcontractors, the Company sets clear material loss control targets for key construction materials, requiring subcontractors to maintain material loss rates within specified thresholds during project execution. Through stringent material management measures, we effectively reduce resource waste and improve material utilization efficiency.

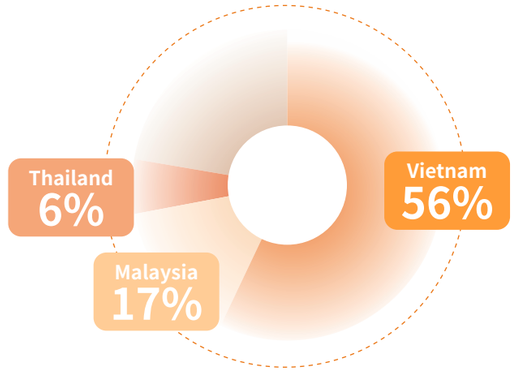
At the same time, energy conservation and environmental protection requirements are systematically embedded into procurement processes. The majority of projects incorporate relevant environmental clauses into contracts, with priority given to equipment that meets high energy-efficiency standards. In selected projects, BOTH adopts energy-efficient equipment such as IE4 or Class 2 energy-efficient systems. These efforts ensure project quality and operational performance while reducing energy consumption and environmental impact, driving the supply chain toward a greener and lower-carbon future.

Local Procurement

As BOTH continues to expand into international markets, local procurement has become a key strategy for enhancing supply chain resilience and operational efficiency. The Company actively establishes long-term partnerships with local suppliers in regions where it operates and continuously strengthens its multi-regional supplier network. Our supplier network spans multiple countries and regions, including Thailand, Vietnam, and Malaysia, enabling us to respond more efficiently to project needs and meet customized client requirements.

Through local procurement, BOTH shortens supply chain response time and significantly reduces cross-border logistics and transportation costs. This not only enhances material supply efficiency and cost control capabilities but also contributes to local economic development and job creation. In addition, environmental considerations are incorporated into local procurement practices. By minimizing long-distance transportation, the Company reduces associated carbon emissions and ecological impacts, achieving a balanced advancement of economic performance, social value, and environmental responsibility.

BOTH 2025 Local Procurement Overview



Fair Treatment of Small and Medium-sized Enterprises

BOTH places strong emphasis on fair treatment and mutually beneficial cooperation with small and medium-sized enterprises (SMEs). The Company strictly complies with applicable laws and regulations, including the Law of the People's Republic of China on Promotion of Small and Medium-sized Enterprises (SMEs) and the Regulation on Ensuring Payment for Small and Medium-sized Enterprises, and has established a series of management policies and practices to safeguard the legitimate rights and interests of SMEs.

Guided by the principles of openness, inclusiveness, and fairness, BOTH ensures equal treatment of SME partners across supply chain management and business collaboration. To mitigate risks related to subcontractor fund allocation and wage payments, the Company conducted continuous monitoring of subcontractors' payroll disbursement and overall financial conditions in 2025. Leveraging the Labor Management System (LMS), attendance records and payable wage data generated by the system are cross-checked against actual wage payments made to work teams. This process enables the identification of potential wage arrears risks, supports timely risk alerts and corrective actions, and effectively safeguards workers' rights while promoting the stable and sustainable development of SME partners.

The Company adheres to fair contracting practices by avoiding unreasonable payment terms or overly stringent conditions in agreements with SMEs. BOTH ensures open access for SMEs to participate in procurement and subcontracting opportunities across the supply chain, conducting supplier selection and business allocation in a transparent and equitable manner. At the same time, the Company strictly fulfills its contractual obligations by making timely and full payments for goods and services, avoiding delayed payments and alleviating financial pressure on SMEs, thereby supporting their operational stability.

Furthermore, BOTH is committed to collaborative growth with SMEs. The Company has developed and implemented the "Cooperation Development Plan of Labor Contractors (CODEL)" program, aimed at fostering long-term value creation with labor contractors. Through ongoing communication during project collaboration, BOTH provides timely feedback on service quality and performance improvements, supporting continuous capability enhancement among partners, including SMEs. While ensuring product and service quality, the Company also provides appropriate support to SME suppliers in selected commercial negotiations, offering them greater opportunities for collaboration. These efforts contribute to building a stable, inclusive, and mutually beneficial supply chain ecosystem.

Employee Development and Well-being

BOTH regards "caring for employees" as a cornerstone of its long-term development. We have established a comprehensive management framework that spans from governance philosophy to day-to-day employee care. Supported by a multi-tiered benefits and well-being system, we strive to enhance employees' sense of belonging and overall well-being, while fostering a truly diverse, equitable, and inclusive workplace.

Diversity, Equity and Inclusion

Caring for employees is a core mission of BOTH and a fundamental driver of long-term value creation. We are committed to building an inclusive workplace grounded in fairness and equality. Guided by our people philosophy of empowering individuals to grow in capability and perspective, we continuously invest in employee development and career advancement, unlocking the full potential and creativity of our workforce.

The Company has established a systematic human resources management framework centered on the Human Resources Management Policy and supported by a Human Resources Development Committee, which oversees key decisions related to talent development. The Organization and Human Resources Center is responsible for formulating and implementing policies and plans related to recruitment, talent allocation, training, and development. Business units and subsidiaries execute these initiatives in alignment with unified corporate policies, forming a well-defined and highly coordinated human resources management system.

As BOTH advances its high-quality development strategy, the stability and sustainability of human capital remain critical to long-term business performance. Talent retention in key roles and the availability of qualified talent pipelines directly impact operational efficiency, cost management, and core competitiveness.

BOTH Human Capital Management: Risk Identification and Response

Risk Types	Time frame of Impact	Potential Impact	Measures
Risk of Key Talent Attrition or Delayed Replenishment of Critical Positions	Medium-to-Long Term	▪Rising Human Resource and Operational Costs ▪Compromised Long-Term Value and Competitiveness	▪Proactively engage in talent planning and succession building to establish a talent reserve for critical positions and high-demand roles. ▪Enhance the organization's attractiveness to talent by refining employee development and incentive mechanisms.

Employment and Human Rights Protection

BOTH adheres to internationally recognized human rights and labor standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the core conventions of the International Labour Organization (ILO). The Company strictly complies with applicable labor laws and regulations in all jurisdictions where it operates, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. We integrate human rights and labor protection requirements throughout our operations and value chain, safeguarding the legitimate rights and interests of employees, workers within our supply chain, and other stakeholders. BOTH is committed to fostering a workplace that is fair, open, diverse, and inclusive.

The Company has implemented the Recruitment Management Policy, adhering to principles of legality, compliance, fairness, and merit-based selection. We respect diversity across race, color, nationality, ethnicity, political affiliation, gender, religious belief, and other attributes, and strictly prohibit child labor and forced labor.

During the reporting period, BOTH reported no incidents involving child labor, forced labor, violations of employee rights, or labor disputes.

BOTH Labor and Human Rights Policies

Anti-Discrimination

- The Company strictly prohibits any form of discriminatory language or behavior based on nationality, skin color, ethnicity, age, gender, marital status, physical health, or disability.

Anti-Harassment

- The Company strictly prohibits any form of harassment, including actions conducted against an individual' s will through verbal, written, visual, or physical means, covering both sexual and non-sexual harassment.

Prohibition of Child Labor

- The Company explicitly stipulates in its Human Resources Management Policy that only individuals aged 18 and above may be employed, thereby eliminating the risk of child labor.
- During the recruitment and hiring process, the Company conducts multi-stage, and end-to-end verification of candidates' age and identity information.

Prohibition of Forced Labor

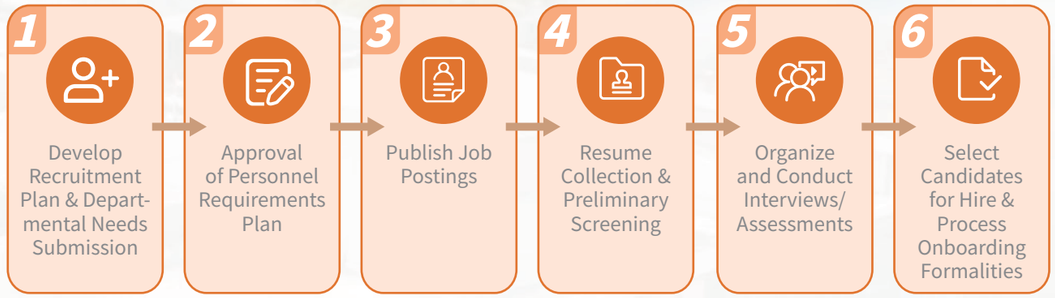
- The Company fully respects employees' nationality, household registration, ethnicity, political affiliation, gender, and religious beliefs, and strictly prohibits any form of forced labor. Any form of coercion, intimidation, or physical abuse is not tolerated.

Freedom of Association and Collective Bargaining

- The Company respects and safeguards employees' rights to freedom of association and collective bargaining. Trade unions are established in accordance with applicable laws, and employees are supported in participating in company management. The Company ensures employees' rights to information, participation, expression, and supervision.

The company attaches great importance to employee management and the protection of human rights. We place strong emphasis on fair and compliant employment practices, guided by principles such as compliance, efficiency, fairness, merit-based selection, conflict-of-interest avoidance, and role suitability. Recruitment, hiring, and termination processes are conducted in strict accordance with applicable laws and regulations, ensuring a transparent, standardized, and orderly employment environment.

BOTH Recruitment Process

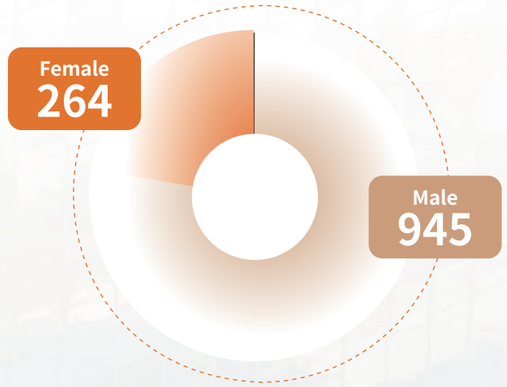


In 2025, the Company continued to attract talent through diversified channels, including online recruitment, employee referrals, job fairs, and campus recruitment. Flexible employment opportunities were also created through re-employment of retirees and internship programs. As of the end of the reporting period, BOTH employed a total of 1,209 employees, providing a solid human capital foundation for stable operations.

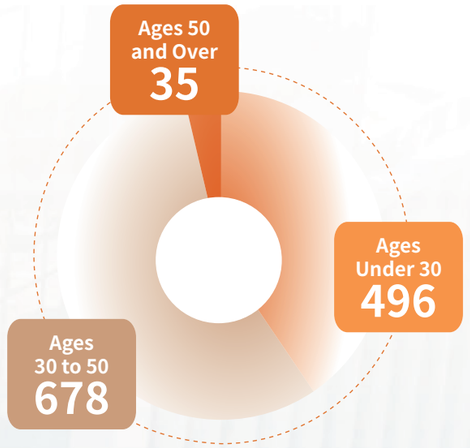
The Company has established a standardized re-employment mechanism for retirees. During the reporting period, four retired professionals were rehired, enabling the Company to leverage experienced talent while maintaining compliant employment practices.

BOTH Employee Structure

Employee Count by Gender



Employee Count by Age



Workforce Diversity and Inclusion

BOTH respects and values diversity among its employees and is committed to creating a workplace free from barriers, discrimination, and harassment. Diversity and inclusion are embedded within the Company's governance framework and promoted across global operations. We ensure that employees are treated fairly in recruitment, employment, and career development, regardless of gender, age, nationality, religion, ethnicity, or marital status.

The Company actively engages employees through forums and well-being initiatives to understand the needs of diverse groups and enhance workforce cohesion and inclusion. In addition, BOTH promotes cross-cultural communication through targeted training programs. In overseas operations, we fully respect local cultures and religious practices, and provide pre-departure training for expatriate employees covering language, cultural norms, and workplace behavior, enabling them to integrate effectively into local environments.

Employee Benefits and Well-being

BOTH is committed to a people-oriented development philosophy, with employee well-being as a core component of its corporate culture. We continuously focus on employees' physical and mental health, as well as their evolving needs. We also organize a variety of employee care initiatives and recreational activities to create a positive and supportive work environment, enhancing employee engagement and satisfaction while promoting shared growth between the Company and its workforce.

The Company provides a comprehensive benefits system covering all employees, including timely and full salary payments, statutory social insurance and housing fund contributions, as well as additional benefits such as housing allowances, communication subsidies, annual health check-ups, paid leave, and holiday benefits. The Company will continue to enhance and refine its employee benefits framework, creating a supportive and inclusive workplace that promotes well-being, engagement, and long-term development.

BOTH Employee Benefits System

Types	Specific Points
Employee Well-being	▪ Leave Benefits: In addition to statutory public holidays, the Company provides paid annual leave, marriage leave, maternity leave, paternity leave, childcare leave, and other forms of leave. ▪ Employee Engagement Activities: Regularly organize cultural, recreational, and sports activities for employees. ▪ Holiday Benefits: The Company provides festive gifts for major holidays, such as the Spring Festival, Mid-Autumn Festival, and National Day. ▪ Allowances and Subsidies: A range of subsidies are offered, including meal allowances, communication subsidies, housing allowances, and transportation subsidies.
Employee Development	▪ Training System: The Company implements various training programs, including campus recruitment training, as well as internal learning platforms such as the BOTH Home and BOTH Knowledge Base. ▪ Skills Development: Employees are encouraged to obtain professional qualification certifications to enhance their capabilities.
Employee Healthcare	▪ Employee Insurance: The Company provides statutory social insurance and housing provident fund contributions for all employees. ▪ Annual Health Check-ups: Regular health examinations are organized annually for employees.

BOTH is committed to fostering an equitable and inclusive environment for female employees, ensuring equal opportunities in career development, including roles in engineering R&D, and management. We uphold gender equality in compensation, benefits, and resource allocation. The Company strictly implements statutory protections related to maternity and childcare and continuously enhances support measures for female employees, including dedicated initiatives such as International Women's Day activities.

In addition, the Company organizes regular employee engagement programs, including birthday celebrations, discounts on professional certification training, complimentary park access cards, and reimbursement of travel expenses for home visits. BOTH conveys organizational care during key festivals and commemorative occasions. For example, on Teachers' Day, appreciation letters are sent to employees who contribute to mentoring and internal training, fostering a corporate culture that values talent and demonstrates genuine care for employees.

Mid-Autumn Festival Employee Care Initiative

To further enhance employee well-being and organizational cohesion, BOTH integrates employee benefits and human-centered care into its daily management and corporate culture. In 2025, to celebrate the Mid-Autumn Festival, the Company organized an employee care initiative, providing thoughtfully prepared mooncake gift packages to all employees. This initiative conveyed festive greetings and demonstrated the Company's appreciation and care for its workforce, fostering a sense of belonging and cultural connection.

Customized Mid-Autumn Mooncake Gift for Employees

Cross-cultural Training for Overseas Talent

To support the steady development of its international operations and improve cross-regional collaboration, BOTH systematically advanced a cross-cultural training program for overseas talent in 2025. The program focused on key topics such as cross-cultural communication and cultural awareness, helping employees from different countries and regions enhance mutual understanding and teamwork.

Prior to overseas assignments, the Company provides dedicated training programs for expatriate employees. These programs cover essential areas including basic language skills, local lifestyles, social customs, workplace behavior, and compliance requirements. In addition, BOTH provides an Overseas Guidance Manual, which includes general guidance for working and living abroad, as well as country-specific sections for regions such as Vietnam, Thailand, and Malaysia. It offers practical insights into local cultural characteristics and behavioral norms—for example, personal safety and traffic considerations, as well as cultural etiquette and taboos in Thailand—helping expatriates quickly adapt to local environments and integrate smoothly into overseas work and daily life.

Overseas Guidance Manual

Incentive Compensation System

BOTH has established and implemented a structured compensation and benefits system under the Compensation and Benefits Management Regulation. The system is built on job value, performance evaluation, and individual contribution, closely linking employee compensation with organizational objectives. Compensation structures are benchmarked against industry and regional market levels to ensure competitiveness and stability, while aligning employee rewards with performance and contribution.

To further enhance employee motivation and behavioral guidance, the Company introduced the Points Management Policy (Trial) in 2025, establishing a comprehensive evaluation system that combines positive incentives with continuous improvement feedback. The system covers standardized processes including submission, evaluation, approval, disclosure, appeals, and redemption, ensuring transparency and compliance. Through this mechanism, employees' contributions beyond their core responsibilities and their overall professional conduct are recognized through a points-based system, which accumulates on a monthly and annual basis and is linked to tangible rewards. Positive points incentivize behaviors that contribute to long-term value creation, such as knowledge sharing, management innovation, business collaboration, risk control, and reputation enhancement. Negative points serve as early warnings for non-compliant behavior, promoting continuous improvement and strengthening organizational performance.

In addition, BOTH continues to refine diversified incentive mechanisms, including performance-based rewards and equity incentives, to strengthen motivation and retention of key talent. In June 2025, the Company granted a reserved portion of restricted shares under the "2024 Restricted Stock Incentive Plan" to 27 mid-level managers and core employees, totaling 801,564 shares. This brought the cumulative grant ratio to 98.02% of the total plan, effectively stimulating employees' intrinsic motivation to create value and aligning individual development with the Company's long-term strategic objectives.

BOTH Employee Incentive Compensation System

Incentive Mechanism	Specific Points
Employee Well-being	▪ Salary: Determined based on factors such as industry qualifications, professional capabilities, work experience, and value creation. Salary levels are adjusted through annual performance evaluations and corresponding promotions. ▪ Annual Bonuses: Includes performance-based bonuses and year-end bonuses, awarded based on annual performance evaluations for both management and employees. ▪ Special Incentives: Covers performance target bonuses, project performance bonuses, market performance bonuses, and annual excellence awards. ▪ Points-based Incentive Mechanism: Employees' contributions and overall professional conduct are evaluated through a points system, which accumulates over time and is linked to tangible rewards.
Medium- to Long-term Incentives	▪ Restricted share incentive plans are implemented for senior management, mid-level managers, and key employees.

Occupational Health and Safety

Safeguarding the life and health of every employee is an unwavering core value at BOTH. We are committed to becoming a benchmark in safety management within our industry. This commitment drives us not only to pursue a "zero harm" objective, but also to integrate occupational health considerations into every aspect of our daily operations. Through systematic and standardized management practices, we aim to provide robust protection for the health and safety of our employees and partners, while supporting the Company's sustainable development.

Safety Management System

BOTH places strong emphasis on occupational health management and strictly complies with applicable laws, regulations, and standards, including the Prevention and Control of Occupational Diseases Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Treatment of Infectious Diseases, National Occupational Health Standards of the People's Republic of China, and relevant national occupational health standards. The Company has established and implemented internal policies such as the Occupational Health Management Policy and the Quality, Environment, and Occupational Health and Safety Management Manual, and has obtained ISO 45001 certification. These frameworks provide a solid foundation for systematic and standardized Occupational Health and Safety management.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北京中大华远认证中心有限公司

职业健康安全管理体系认证证书

证书号：02025S15541R7M

柏诚系统科技股份有限公司

体系适用范围：位于中国江苏省无锡市滨湖区雪浪街道 800-2101 的柏诚系统科技股份有限公司的机电工程施工总承包（含净化工程）的职业健康安全管理活动

注 册 地 址：中国江苏省无锡市滨湖区雪浪街道 800-2101

职业健康安全管理体系符合：GB/T 45001-2020/ISO 45001:2018 《职业健康安全管理体系 要求及使用指南》

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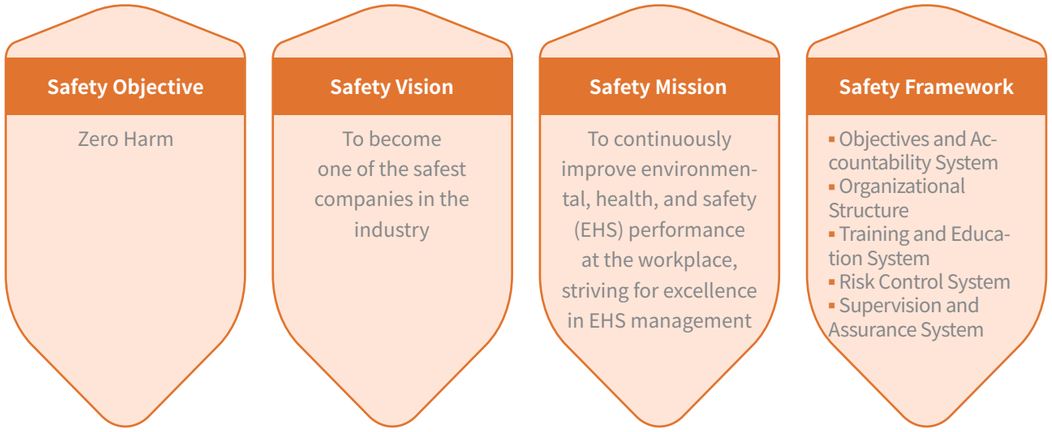
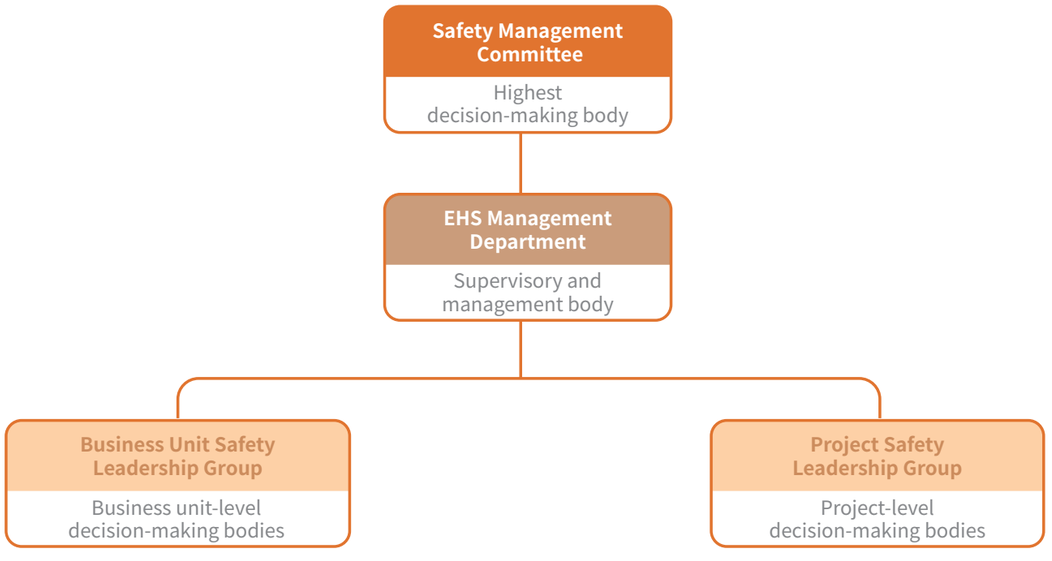
BOTH Occupational Health and Safety Management System Certificate

BOTH Occupational Health and Safety Management System



BOTH has established a clearly defined safety governance structure with well-delineated responsibilities. The Chairman actively participates in safety management, while the Safety Management Committee serves as the highest decision-making body, chaired by the General Manager. The Committee convenes quarterly meetings to coordinate and deploy safety-related initiatives. The EHS Management Department functions as the standing body of the Committee, responsible for system development, training, and routine supervision and audits. Business units and project teams have established dedicated safety leadership groups to implement safety, fire protection, and emergency management measures at the operational level.

BOTH Safety Management Governance Structure



BOTH Safety Management: Risk Identification and Response

Risk Types	Time frame of Impact	Potential Impact	Measures
Special Operations Safety Risks	Short-term	Medical and compensation costs; equipment repair or replacement costs; production downtime; regulatory penalties	▪ Establish safety management systems covering all types of special operations and develop dedicated operation plans ▪ Implement personnel qualification and certification requirements ▪ Conduct specialized safety training and enforce on-site supervision mechanisms
Electrical, Hot Work, and Hazardous Operations Risks	Short-term	Property damage; business interruption; regulatory penalties	▪ Strengthen approval procedures for high-risk operations ▪ Conduct regular inspection of related facilities and equipment ▪ Standardize operational procedures ▪ Equip necessary firefighting and safety protection facilities
Hazardous Chemicals and Equipment Safety Risks	Short-term	Medical compensation; equipment repair and replacement costs; remediation expenses	▪ Improve classification and labeling management of hazardous chemicals ▪ Implement regular inspection and maintenance mechanisms for equipment ▪ Strengthen hazard identification and targeted training
Work Environment and Personnel Behavior Risks	Short-term	Personal injury compensation; productivity loss	▪ Optimize work scheduling and ensure safe working conditions ▪ Strengthen safety awareness training and on-site management
Occupational Health and I ntegrated Safety Management Risks	Medium- to long-term	Medical costs; increased labor costs; potential legal liabilities	▪ Provide occupational protective equipment ▪ Conduct regular occupational health examinations ▪ Strengthen safety inspections for both operational and office environments

Safety Risk Management

BOTH adheres to the principle of "life first" and integrates safety responsibilities throughout all aspects of its operations. By continuously strengthening operational safety management, the Company ensures standardized and orderly work processes, supporting the safe, stable, and reliable delivery of projects.

With risk prevention at its core, BOTH has established a series of policies, including the Safety Standardization Manual, Safety Management Control Modules, and Construction Personnel Management Guidelines, to standardize key safety processes and control requirements across the entire value chain, including subcontractors and contractors.

In 2021, the Company launched the "Build Fence on Cliff (BUFOC)" safety initiative as a long-term strategic program. Under the leadership of the Safety Management Committee, this initiative systematically addresses foundational and execution-related challenges in safety management. Key measures include optimizing the EHS organizational structure, establishing standardized risk identification and work permit procedures, implementing a three-tier risk control mechanism (red, orange, yellow), conducting tiered training and thematic safety activities, and strengthening subcontractor evaluation and incentive systems. BUFOC has evolved into a core mechanism for Occupational Health and Safety management at BOTH, characterized by an expanded team of dedicated safety personnel, 100% training coverage, and an effective closed-loop risk management system, reinforcing the Company's commitment to "life first and controllable safety."

Building on this foundation, BOTH has developed the "12345" safety management model. Through measures such as work permits, pre-task planning, and hazard identification, the Company strengthens risk anticipation and process control. A risk matrix methodology (LS approach) is applied to classify and manage potential risks in a systematic and scientific manner.

BOTH "12345" safety management model

1 One Process	2 Two Stages	3 Three Foundations	4 Four Elements	5 Five Aspects
▪ Risk Management and Control Process	▪ Process Control Stage: Proactive Risk Prevention ▪ Outcome Control Stage: Implementation of Hazard Remediation	▪ PTW * ▪ PTP * ▪ Hazard Identification	▪ Construction Planning ▪ Risk Identification and Confirmation ▪ Briefing on Safety Measures ▪ Supervision and Inspection	▪ Safety Risks ▪ Work Environment ▪ Work Tools ▪ Work Facilities ▪ Personnel Skills

*PTW: Permit to Work, referring to a written safety permit that must be obtained through application, approval, and issuance procedures before high-risk operations can be carried out.

*PTP: Permit to Prepare, a prerequisite procedure for work permit issuance, referring to the approval and authorization of various preparatory work for work before the formal issuance of PTW.

The Company continues to enhance its safety management model through digitalization. The "Risk Operations Mapping System" has been developed and deployed to support the application of the "12345" model in risk identification and closed-loop governance. This system tracks risks dynamically across the entire project lifecycle, using a timeline-based approach to identify and monitor risk points. Automated alerts ensure the timely implementation of safety measures at critical stages, while high-risk operations require real-time photo documentation. This enables visualization and traceability of risk management processes, significantly improving proactive risk identification and dynamic control capabilities.

In addition, BOTH has implemented the Project Safety Audit Management Policy and conducts regular independent third-party safety audits. In 2025, a total of seven third-party safety audits were completed.

During the reporting period, the Company achieved strong safety performance, with no major safety incidents and no work-related fatalities.

Workplace Safety

BOTH ensures adequate safety staffing in accordance with the Safety Production Organization Management Policy, allocating dedicated safety personnel based on project scale and operational needs. The Company currently employs 91 full-time safety professionals, representing 7.5% of the total workforce, providing strong organizational support for safety management. Subcontractor safety personnel are integrated into project safety management teams and managed under a unified framework. Mechanisms such as safety training programs, registration systems, and responsibility briefings further strengthen coordination and accountability.

Senior management and business unit leaders regularly conduct on-site safety inspections to ensure strict compliance with safety standards. Responsibility areas are clearly defined, with dedicated safety officers conducting routine inspections and hazard identification to proactively manage risks at the source.

During daily inspections, safety personnel focus on high-risk operations, equipment performance, and the use of personal protective equipment (PPE). Identified issues are recorded and analyzed through a centralized management platform, forming a repository of typical cases and potential hazards. These cases are incorporated into internal training materials and shared across projects, enabling employees to learn from real scenarios and continuously enhance safety awareness, thereby establishing a closed-loop safety management system.

For high-risk activities such as lifting operations, working at height, and confined space operations, BOTH has developed a modular and standardized safety control system. The Safety Management Control Modules define technical standards and operational requirements for each type of high-risk activity, providing clear, actionable, and enforceable guidance to ensure safe and efficient execution.

In terms of contractor safety management, BOTH has established a comprehensive framework covering multiple stakeholders and processes. Policies such as the Subcontractor Safety Incentive and Penalty Guidelines, Labor Contractor Safety Management Agreement, and Construction Personnel Management Guidelines define safety standards and responsibilities. The Company has developed an integrated contractor safety management system covering governance, execution, technical controls, and financial mechanisms, forming a robust and multi-dimensional safety control framework.

BOTH Subcontractor and Contractor Safety Management System

Process Control

- Strengthen construction safety management through regular inspections, operational supervision, training, and corrective action tracking.
- Clearly define subcontractors' safety responsibilities in subcontract agreements, requiring the provision of complete safety management documentation.

Assurance Mechanism

- Develop and implement the Project Subcontractor Onboarding and Registration Manual to standardize entry procedures and require subcontractors to obtain personnel accident insurance.
- Mandate dedicated safety investment in accordance with contractual requirements.

Technical Empowerment

- Systematically identify and summarize key safety control modules covering high-risk operations such as ceiling installation, lifting, and working at height; Provide regular management guidance and technical support to subcontractors to enhance their safety management capabilities.

To reinforce its safety commitment, BOTH conducted systematic safety education and practical activities throughout 2025. These initiatives covered construction operations, on-site activities, and daily operations, enhancing employees' ability to identify and manage safety risks through training, inspections, and emergency drills.

Safety Awareness Campaigns

In 2025, under the theme of "Everyone Values Safety, Everyone Is Prepared for Emergencies" during the National Safety Production Month, BOTH prioritized fire safety drills across its headquarters and project sites. These drills effectively enhanced employees' emergency response capabilities and strengthened the Company's fire safety management foundation.

In addition, targeted safety training programs such as traffic safety and dormitory safety were introduced to address key risk scenarios. Based on identified issues during dormitory safety inspections, dedicated training sessions were conducted to reinforce fire safety awareness for employees residing in Wuxi, including maintaining clear evacuation routes, ensuring the proper condition of fire safety equipment and preventing behaviors such as occupying or blocking fire escape routes.

Traffic Safety Training

Safety Month Thematic Meeting and Fire Drill

Occupational Health

BOTH closely monitors the impact of evolving business models on Occupational Health and Safety. The Company systematically identifies and assesses key occupational hazards, including noise, dust, and high temperatures. Based on these assessments, BOTH continuously optimizes protective measures and management mechanisms to mitigate occupational health risks, ensuring the physical and mental well-being of employees as well as safe working conditions.

During the reporting period, no cases of occupational diseases were reported among employees.

BOTH Occupational Disease Prevention and Control Management Process

Occupational Hazard Identification and Role Definition

- Identify key occupational hazard factors present in operations
- Define affected job roles and personnel scope

Occupational Health Monitoring and Records Management

- Establish clear responsibilities, procedures, and monitoring cycles for occupational health management
- Conduct regular occupational health examinations and maintain comprehensive health records

Hazard Communication and Protection Management

- Conduct hazard communication, training, and awareness programs
- Provide and standardize the management of occupational protection facilities and personal protective equipment (PPE)

To effectively identify and mitigate occupational health risks, BOTH implements a systematic management approach focused on key occupational hazards. Based on the specific risk characteristics of different work scenarios, the Company develops and enforces targeted protective measures. By strengthening personal protective measures, enhancing workplace environment management, and implementing heat stress prevention initiatives, BOTH continuously reduces the impact of occupational hazards such as dust, noise, and high temperatures, thereby safeguarding employees' occupational health and ensuring safe working conditions.

BOTH Occupational Health Factors: Risk Identification and Response

Hazard Factor	Health Risks	Measures
Dust	Pulmonary function impairment diseases, including active tuberculosis, chronic obstructive pulmonary disease (COPD), and chronic interstitial lung disease.	▪ Provide workers with dust masks meeting required protection standards (e.g., K95) or respirators with filtration systems; Prohibit the use of non-compliant protective equipment such as standard medical masks.
Noise	Permanent sensorineural hearing loss, hypertension, organic heart disease, and moderate to severe. conductive hearing loss	▪ Provide noise protection equipment (earplugs or earmuffs) for positions with noise levels exceeding 85 dB; Supervise proper use and wearing of protective equipment.
High Temperature	Hypertension, gastrointestinal disorders, chronic nephritis, uncontrolled hyperthyroidism, diabetes, and skin diseases.	▪ Adjust working hours and extend rest periods to reduce heat exposure. ▪ Provide heatstroke prevention supplies (e.g., herbal cooling medicines) and adequate drinking water. ▪ Install temporary cooling equipment (e.g., air conditioning) in high-temperature or confined environments.

Employee Training and Development

BOTH regards employee development as a key driver of innovation and sustainable growth. We have established a systematic training and development framework that covers all employees throughout their career lifecycle. Through diversified training programs and structured mentoring mechanisms, we unlock individual potential and build a strong and sustainable talent pipeline to support the Company's long-term development.

Employee Training System

Guided by the principles of being strategic, comprehensive, flexible, and tailored to individual needs, BOTH has implemented the Training Management Policy and Performance Evaluation Regulation. With a forward-looking approach, we have established a structured talent identification and development mechanism to continuously strengthen talent cultivation and succession planning. The Organization and Human Resources Center coordinates training initiatives in alignment with the Company's development strategy, available resources, and training plans across departments, business units, and subsidiaries. Targeted training programs are systematically delivered to employees at different levels, providing strong talent support for the achievement of strategic objectives.

The Company's training system encompasses three core areas: knowledge-based training, skills development, and competency enhancement. A dedicated and experienced training team is responsible for program design, implementation, and operational management. Through a structured and continuously optimized training mechanism, BOTH enhances employees' professional capabilities and core competencies, while building a resilient talent pipeline and strengthening overall organizational capability.

BOTH Employee Training System

Training Program	Training Objectives	Training Approach
New Employee Onboarding Training	To help new employees systematically understand the Company's fundamentals, policies, and organizational structure, enabling them to integrate into the corporate culture and adapt to job requirements.	Includes general orientation and role-specific training, delivered through classroom sessions, policy briefings, corporate communications, and mandatory onboarding courses.
On-the-job and Skills Enhancement Training	To strengthen employees' professional skills and role competency, ensuring they possess the required knowledge and capabilities prior to job rotation, probation, role transition, or promotion.	Combines on-the-job training, internally developed courses, and external professional programs, with both mandatory and phased learning modules.
Work Efficiency and Management Effectiveness Training	To enhance employees' work efficiency, time management, and self-management capabilities, strengthen cross-functional collaboration and overall execution, and support their career development.	Delivered through a combination of mandatory training and elective courses selected by employees.
Project Management Training	To enhance project management capabilities in planning, execution, delivery, and risk control, supporting the development of a project management talent pipeline.	Structured by role category and job level, with tiered courses delivered through both internal and external training programs.
Leadership Development Training	To cultivate leadership capabilities, including team management and decision-making skills, supporting the development of management talent.	Participants are selected based on talent reviews and performance evaluations, with training delivered through a mix of internally developed and external programs, alongside self-initiated learning opportunities.
Professional Certification Training	To support employees in obtaining professional certifications relevant to the Company's core business, enhancing technical expertise.	Delivered through intensive training sessions, pre-exam preparation courses, and external certification programs, with participation requirements defined by the Company.

Talent Development

To support high-quality development and strengthen long-term competitiveness, BOTH continues to enhance a multi-level and comprehensive talent development system. Key focus areas include leadership capability development, professional expertise accumulation, and talent pipeline building. In 2025, the Company launched an Executive EMBA development program for core management roles. Eight key management personnel were selected to participate in one-year external training programs at leading institutions, including Shanghai Jiao Tong University and Fudan University. These programs introduced advanced business management concepts and practical management tools, further enhancing the strategic decision-making and leadership capabilities of the management team.

BOTH also continues to strengthen knowledge management and learning platforms. The Company has established unified knowledge-sharing and training platforms, including internal systems such as the BOTH Home and BOTH Knowledge Base. These platforms integrate professional expertise, system operation guidelines, corporate policies, and training resources across departments, promoting knowledge sharing and experience accumulation while enabling employees to efficiently access information and improve collaboration and execution capabilities.

In addition, BOTH has implemented a structured mentoring system that integrates knowledge transfer, guidance, and hands-on coaching. Core internal professionals serve as mentors, supported by empowerment training, dynamic management, and regular evaluations, along with mentoring allowances and dedicated incentive mechanisms, to steadily advance the development of professional talent. In addition, the Company supports employees in obtaining professional qualifications by providing examination assistance and related subsidies, encouraging continuous skill enhancement and strengthening the development of specialized teams, thereby contributing to ongoing improvements in the Company's overall technical capabilities and project execution efficiency.

In 2025, BOTH conducted a total of 222 training sessions, achieving a 100% employee coverage rate, with total annual training investment reaching 85.85 thousand RMB.

2025 Campus Recruitment Onboarding Program

To enhance new hires' understanding of the Company's culture and working environment, and to support their rapid integration into the organization, BOTH organized a campus recruitment onboarding program in 2025 under the theme "Growing with the Future, Empowering the Young." The program was systematically designed around corporate culture inheritance and the development of young talent. Key training modules included corporate culture and values, city orientation under the theme of "Discovering Wuxi," foundational engineering and technical capabilities, in-depth introductions to core business functions, and professional skills development. These initiatives enabled new employees to gain a comprehensive understanding of the Company's development history, strategic direction, and business landscape. Through this program, BOTH facilitates a smooth transition from campus to the workplace for new graduates, while strengthening its talent pipeline and supporting long-term organizational development.

Campus Recruitment New Employee Training Session

Career Development and Promotion

BOTH adheres to principles of openness, fairness, and transparency in employee promotion and career development. The Company continuously improves its multi-track career development system, enabling employees to pursue development paths aligned with their capabilities and career aspirations. Through a structured and standardized promotion process, BOTH ensures that high-potential and high-performing employees are identified in a timely manner and provided with appropriate career advancement opportunities, fostering a positive interaction between individual growth and organizational development.

To support an efficient and well-structured work environment, the Company has implemented the Performance Evaluation Regulation, which clearly defines the processes, criteria, and implementation guidelines for employee performance assessment and promotion, ensuring the standardization and transparency of the promotion mechanism. Guided by principles such as hierarchical management, timely communication, objectivity and fairness, and integrity-based evaluation, BOTH aligns talent management with strategic priorities, business needs, and role-specific requirements. Through a role-fit approach, the Company effectively plans employees' career development pathways, fully leveraging individual strengths and potential, and accelerating talent development to support high-quality corporate growth.

Talent review is a systematic process for evaluating the Company's human capital. BOTH conducts annual talent review initiatives, assessing employees across two key dimensions: capability and performance. This process provides a comprehensive understanding of employees' competencies, performance, and development potential, while enabling data-driven analysis of talent structure and role alignment for decision-making to support optimized human resource allocation.

The General Manager serves as the head of the talent review committee, overseeing the implementation process, reviewing outcomes, and guiding the application of results. Findings from talent reviews are systematically applied to key processes, including talent development, promotions, compensation adjustments, and succession planning. Through feedback sessions, individual development plan (IDP), and performance improvement plan (PIP), BOTH supports continuous employee development and capability enhancement, laying a solid foundation for achieving strategic objectives and long-term stability.

BOTH Talent ReviewSystem

Preparation Phase

- Conduct preliminary research and diagnostic analysis for the talent assessment model
- Organize workshops to define and finalize the assessment framework
- Confirm the talent review population and evaluation relationships

Evaluation Dimensions and Criteria

- Assess employees across two key dimensions: overall competency and performance
- Apply evaluation principles of objectivity and fairness, hierarchical assessment (no cross-level evaluation), and scoring based on observable behaviors

Feedback and Application

- Communicate evaluation results to assessed employees
- Apply outcomes to key processes, including talent development and promotion decisions

The Company has also established a differentiated performance management system, under which employees at different levels are evaluated based on a combination of performance outcomes and annual objectives. Assessment results are directly linked to compensation adjustments, promotions, and training decisions. In addition, employee integrity and compliance records are incorporated into performance evaluations to provide a comprehensive view of individual conduct. In 2025, BOTH officially introduced an "Employee Integrity Record" system, which systematically tracks employees' professional conduct throughout their tenure. This record serves as an important reference for key decisions, including contract renewals, job transfers, promotions, and compensation adjustments, further enhancing the standardization, transparency, and fairness of performance management.

2025 Project Manager Certification Program

In 2025, BOTH continued to implement its Project Manager Certification Program as a key mechanism for the selection, appointment, and promotion of project management personnel. The program supports the development of a structured and tiered talent system, enabling effective talent-role alignment and fostering mutual growth between employees and the organization.

In February 2025, the Organization and Human Resources Center led the certification process, with candidates nominated by business units and subsidiaries and subject to preliminary review. A total of 27 candidates participated in the assessment. Following evaluation by an expert review panel and approval by the General Manager, 7 candidates were certified as Project Managers, and an additional 7 were certified as Associate Project Managers.

Promoting a Sustainable Future

Support Community Development

BOTH firmly believes that sustainable corporate development is inseparable from community prosperity. We deeply integrate our core business operations into community development, creating shared value globally by promoting local sourcing and prioritizing the hiring of local employees. Based on this, we actively respond to social needs and fulfill our corporate social responsibility through philanthropic initiatives.

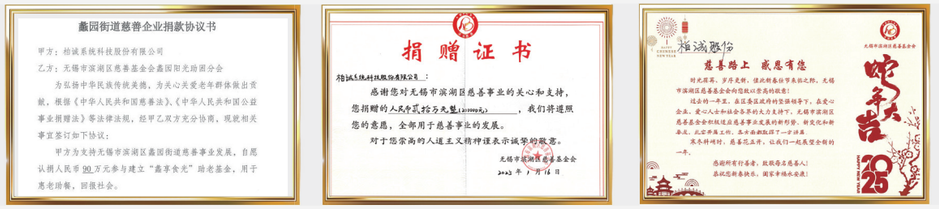
Community Communication and Development

Adhering to the philosophy of "integration into the local community and collaborative development," the Company promotes communication and development between its operating locations and the surrounding communities, striving to be an outstanding corporate citizen and achieve mutual benefit and win-win results with the communities in which it operates. In terms of economic development, the company actively implements a localized procurement strategy, transforming business growth into a direct driving force for community economic prosperity and effectively promoting the common growth of the local supply chain. During the reporting period, the company's overseas branches achieved significant results in local procurement, with local procurement accounting for 56% in Vietnam, 17% in Malaysia, and 6% in Thailand. At the same time, the company highly values people's well-being, prioritizing the recruitment of local employees in its overseas branches. In 2025, local employees accounted for 36.17% of the total workforce in overseas subsidiaries, actively creating high-quality employment opportunities for local communities and effectively alleviating local employment pressure.

Rural Revitalization and Public Welfare Activities

Rooted in the local community, BOTH adheres to the social responsibility philosophy of "originating from society and giving back to society," and strictly abides by laws and regulations including the Charity Law of the People's Republic of China and the Public Welfare Donations Law of the People's Republic of China. We are committed to closely integrating business growth with regional prosperity, actively participating in rural revitalization and public welfare undertakings, encouraging employees to engage in volunteer services, and promoting the symbiotic and prosperous development of the company and the community.

In 2025, the Company continued to deepen its public welfare initiatives, focusing on multiple areas including charitable agricultural assistance and community care. Regarding philanthropy, the Company actively supported the development of Liyuan Street in Binhu District, Wuxi City, donating RMB 900,000 to participate in the establishment of the "Liyuan Enjoying Meals" Elderly Assistance Fund. This fund, managed by the Liyuan Branch of the Wuxi Binhu District Charity Foundation, is planned to be implemented over three years from 2025 to 2027, specifically for providing meal assistance services to the elderly in the area, improving their quality of life, and giving back to society.



Binhu District Charity Foundation Donation Agreement, Donation Certificate & Thank You Card

In terms of rural revitalization, the Company responds to the national call and implements consumption-based poverty alleviation. When purchasing agricultural products for employee welfare, we prioritize local seasonal high-quality agricultural products such as Yangshan peaches, combining employee care with support for increasing farmers' income and driving local agricultural economic development. Meanwhile, in 2025, the Company actively explored ecological agriculture support models, adopting a rice-growing area in the Taihu Lake region of Jiangsu Province. This area uses high-quality, non-hybrid rice varieties and promotes the application of organic fertilizers, thus optimizing and improving the local agricultural production system.

Purchase of local agricultural products

The Company supports employees in participating in various volunteer activities. In 2025, our employees participated in a voluntary blood donation drive at the Wuxi Central Blood Station, spreading love through their blood and fulfilling their social responsibility through concrete actions.

Certificate of Appreciation for Blood Donation Service

Establishing a Robust, Transparent, and Trustworthy Governance System

Corporate Governance

Investor Relations Management

Compliance and Risk Management

Anti-Corruption and Business Integrity

Corporate Governance

BOTH identifies excellent corporate governance as the cornerstone of its sustainable development. The Company continuously optimizes its scientific governance framework, centered on the General Meeting of Shareholders, the Board of Directors, and their specialized committees, ensuring a clear definition of powers and responsibilities alongside standardized operations. The Board attaches great importance to the continuous enhancement of governance standards, deeply integrating sustainability principles into strategic decision-making and daily operations. Through the establishment of the Strategic Business Development Center and the diversification of Board composition, the Company has significantly bolstered the foresight and scientific rigor of its decision-making, further strengthening strategic leadership and business synergy.

Governance Structure

The Company regards standardized governance as the fundamental guarantee for advancing sustainable development. We strictly comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and other relevant laws, regulations, and regulatory requirements. BOTH continuously enhances the standardization and transparency of its corporate governance to ensure that all operations are conducted in accordance with the law and regulatory compliance.

On the basis of compliance with relevant laws and regulatory requirements, the Company has established and continuously improved a governance system centered on the Articles of Association. We have formulated and implemented supporting procedural documents, such as the Rules of Procedure for the General Meeting of Shareholders and the Rules of Procedure for the Board of Directors. These documents clearly define the boundaries of responsibilities and operating mechanisms for the General Meeting of Shareholders, the Board of Directors, and senior management, thereby providing institutionalized and standardized support for corporate governance.

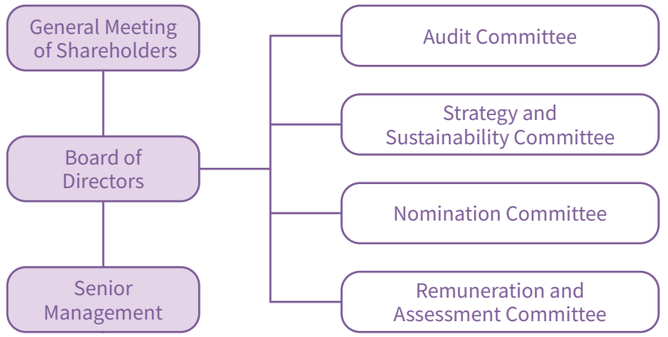
During the reporting period, BOTH optimized its governance structure in alignment with the changing regulatory environment and its own operational needs. In accordance with the institutional arrangements for the governance structure of joint-stock limited companies under the newly revised and implemented Company Law of the People's Republic of China, the Company carried out synchronous revisions and improvements to the Articles of Association and its appendices, including the Rules of Procedure for the General Meeting of Shareholders and the Rules of Procedure for the Board of Directors. Based on these revisions, we adjusted our governance framework: the Board of Supervisors was abolished, and its statutory supervisory powers were transferred to the Audit Committee of the Board. This formed a streamlined governance structure composed of the General Meeting of Shareholders, the Board of Directors, and its specialized committees, and senior management. Following the adjustment, the Audit Committee of the Board exercises statutory oversight and review over the Company’ s financial information and disclosure, internal and external auditing, internal control, and compliance supervision. This transition further enhances the professionalism of the supervisory function and the operational efficiency of corporate governance.

In 2025, BOTH optimized its strategic execution system and organizational structure to align with the needs of business expansion and capacity building. To strengthen strategic implementation and collaborative progress, the Company established the Strategic Business Development Center. Serving as a platform for the coordination and advancement of strategic initiatives, this center is tasked with strategic business planning, organizational incubation, and implementation. We have integrated key focus areas into this platform, including the enhancement of design capabilities, the expansion of modular business, and the progression of overseas operations. At the same time, BOTH has embedded risk identification, assessment, and control mechanisms to ensure that strategic businesses are advanced within a compliant and steady framework. These efforts have collectively enhanced organizational synergy, execution efficiency, and governance effectiveness throughout the Company's business expansion process.

Directors and the Board of Directors

The Board of Directors of BOTH exercises its powers and functions in strict accordance with the Company Law of the People's Republic of China, the Articles of Association, and the Rules of Procedure for the Board of Directors. The Board has established four specialized committees: the Audit Committee, the Strategy and Sustainability Committee, the Nomination Committee, and the Remuneration and Assessment Committee. These specialized committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorizations granted by the Board.

Corporate Governance Body



The Company places significant emphasis on the independence and diversification of the Board of Directors. The current Board members are experts from various fields, including engineering construction, accounting, electronics, and bio-pharmaceuticals, bringing with them a wealth of industry experience. In strict accordance with internal control systems such as the Working System for Independent Directors, the independent directors of the Company perform their duties with a focus on protecting the legitimate interests of minority shareholders from infringement, and provide objective and impartial opinions on major matters, thereby enhancing the scientific rigor, efficiency, and forward-looking nature of Board decisions. During the reporting period, the Board consisted of 8 members, including 3 independent directors and 1 employee director.

[Case Study] Conducting ESG Specific Training to Strengthen the Supervisionand Compliance Disclosure Level of the Board of Directors

On October 29, 2025, BOTH engaged an external professional third-party ESG institution to conduct on-site specialized training, covering all 11 members of the Board of Directors and senior management. The training featured systematic explanations and interactive discussions focused on ESG regulatory trends and disclosure requirements, governance responsibilities and oversight priorities, and material issue identification and closed-loop management. The training has bolstered the capabilities of Board members in identifying key issues, constructing oversight mechanisms, and managing disclosure compliance. It further promoted the effective embedding of ESG requirements into the Company's strategic decision-making and daily operational management processes, providing solid support for enhancing governance effectiveness and the quality of information disclosure.

On-site ESG Training Session for the Board of Directors and Senior Management

The General Meeting of Shareholders and the Board of Directors of BOTH strictly adhere to laws, regulations, and regulatory requirements, and perform their duties in accordance with internal systems such as the Articles of Association of BOTH, the Rules of Procedure for the General Meeting of Shareholders, and the Rules of Procedure for the Board of Directors, continuously enhancing the standard of standardized operations. During the reporting period, all procedures—including the convening, holding, deliberation, and voting of the General Meeting of Shareholders and the Board of Directors—were executed in compliance with regulations. These actions effectively safeguard the legitimate rights and interests of the Company and all shareholders.

Summary of the 2025 Governance Meetings

Meetings Held	Unit	2025
General Meeting of Shareholders	time	5
Proposals Deliberated by the General Meeting of Shareholders	number	14
Board Meetings	times	11
Number of board resolutions passed	number	48
Board Member Attendance Rate	%	100
Board of Supervisor Meetings	time	4
Proposals Deliberated by the Board of Supervisors	number	15
Audit Committee	time	4
Strategy and Sustainability Committee	time	1
Remuneration and Assessment Committee	time	4
Nomination Committee	time	0

*Note : The Board of Supervisors was abolished in June 2025.

Investor Relations Management

Investor relations management is a vital practice built upon the foundation of two-way communication and value recognition. BOTH takes high-quality information disclosure as the foundation for ensuring that investors can gain a clear and comprehensive understanding of the Company’ s value. At the same time, through diversified communication channels and standardized governance mechanisms, we actively listen to the voices of investors and safeguard the equal rights of all shareholders.

Information Disclosure Management

The Company strictly implements information disclosure management requirements and has formulated and put into effect internal policies such as the Information Disclosure Management Policy and the Insider Information Management Policy. These policies serve as important tools for safeguarding investors’ right to know, maintaining fairness and order in the capital market, and improving the transparency of corporate governance, thereby ensuring that information disclosure is truthful, accurate, complete, and timely.

The Company strictly enforces confidentiality management requirements for insider information, clearly defining the confidentiality obligations of insiders prior to public disclosure and limiting access to insider information to the minimum necessary scope. It also standardizes the transfer and traceability management of insider information in key processes such as planning and discussion, consultation and evaluation, document circulation, report preparation, deliberation, and disclosure, so as to prevent the leakage of insider information and the resulting risks of insider trading and selective disclosure.

To strengthen awareness of insider information confidentiality and compliant information disclosure, the Company conducts normalized advocacy regarding insider information management. In conjunction with the preparation of periodic reports and the progression of major matters, we issue regular email reminders to senior management and relevant personnel, enhancing key personnel’ s ability to identify confidentiality obligations and compliance risks. These efforts help embed confidentiality requirements throughout the entire information management process and continuously improve the level of compliance in information disclosure management. During the reporting period, the Company did not commit any violations of stock exchange listing rules, the Articles of Association, or other relevant regulations.

Protection of Investor Rights and Interests

The Company attaches great importance to investor relations and has established an Investor Relations Management Policy. Following the fundamental principles of adequate disclosure, compliant disclosure, equal opportunity, honesty and good faith, efficiency and cost-effectiveness, and interactive communication, the Company is committed to establishing a sound communication mechanism, maintaining transparent and fair communication with investors, and actively conveying its investment value. Through various channels—including periodic and interim reports, General Meetings of Shareholders, the corporate website and Investor Relations columns, performance briefings/ analyst meetings, as well as telephone and email—the Company has built a solid bridge of mutual trust with investors, ensuring that they can obtain key information such as business progress and strategic planning in a timely, accurate, and convenient manner, and jointly explore development opportunities.

During the reporting period, BOTH continuously improved the mechanisms and tools for shareholder participation in corporate governance. We launched a new online voting platform to provide shareholders with a more convenient voting channel, reducing participation costs and enhancing the accessibility and feedback efficiency of proposal voting. Furthermore, the Company implemented the Implementation Rules for the Cumulative Voting System. By introducing the cumulative voting system for matters such as the election of directors, we have strengthened the collective voting power of minority shareholders on key issues and enhanced their influence in corporate governance. The General Meeting of Shareholders separately tallies the votes of minority investors within the voting system to increase the visibility and protection of their opinions, further safeguarding the legitimate rights and interests of minority shareholders.

Statistics on Investor Communication and Engagement			
Indicator	Unit	2024	2025
Earnings Briefings	time	3	3
Hosting On-Site Investor Visits	time	17	21
Number of Investors Hosted During On-Site Visits	person	35	74
Investor Question Response Rate	%	100%	100%

The Company strictly enforces the Related Party Transactions Management Policy, adhering to the principles of openness, justice, fairness, and good faith to ensure the transparency and impartiality of all related party transactions. In the decision-making process for related-party transactions, the Company strictly enforces the recusal mechanism for related parties in voting and, where necessary, engages professional institutions or experts to provide independent opinions, thereby enhancing the independence of decision-making and the fairness of transactions, and safeguarding the interests of the Company and all shareholders.

The Company is committed to continuously improving investor returns, implementing a more proactive and transparent cash dividend policy and related decision-making procedures for profit distribution, ensuring the scientific, reasonable, and sustainable nature of the cash dividend policy. Since the listing in April 2023, we have distributed a total of RMB 328 million in cash dividends, with a total dividend of RMB 63.3622 million (inclusive of tax) in 2025, representing a cash dividend payout ratio of 30.88%. In 2026, the company's project scale is expected to grow rapidly. To reserve sufficient funds to support the expansion of its core business, the company, after careful consideration and deliberation, has decided to lower the cash dividend payout ratio in 2025 compared to 2024, taking into account the long-term relationship between business development, performance growth, and shareholder returns.

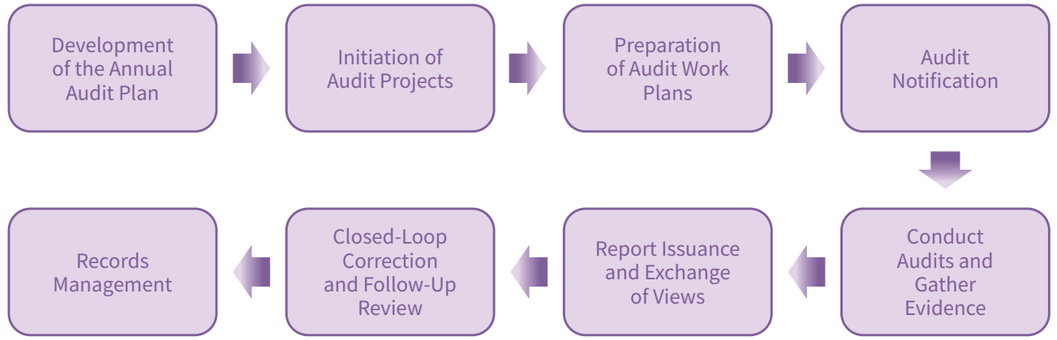
Compliance and Risk Management

BOTH regards risk and compliance management as a fundamental safeguard for the Company’s steady and sustainable development, and continuously embeds compliance requirements throughout the entire process of corporate governance and business operations. By constructing a multi-dimensional risk management system led by senior management and supported by internal audit, the Company promotes the systematic operation of risk identification, assessment, and response, providing robust support for strategic implementation and long-term value creation.

The Company strictly complies with the Audit Law of the People’s Republic of China, the Basic Standards for Internal Auditing, and other applicable laws, regulations, and requirements, and has formulated and implemented policies such as the Internal Audit Management Measures and the Internal Reporting Management Measures for Non-compliance, continuously improving its risk management and internal control systems. In terms of organizational structure, BOTH has established a risk management framework led by the General Manager, managed and supervised by the Audit Department, and collaboratively advanced by the Ethics & Compliance Committee and the Strategic Operation Committee. This framework clearly defines the boundaries of responsibilities and working mechanisms, forming a top-down risk management system characterized by clear division of labor and high synergistic efficiency.

The Company continues to strengthen the construction of its internal audit system. The Audit Department, serving as the executive body for internal audit, operates independently under the supervision and guidance of the Audit Committee of the Board of Directors and reports to the committee on a regular basis. The Audit Department does not participate in specific operational and management decision-making, ensuring the independence and objectivity of its oversight. Adhering to the principles of independence, objectivity, professional prudence, the equal importance of supervision and service, and cost-effectiveness, the internal audit function conducts audits and evaluations across the financial, operational, and performance sectors of the headquarters and all subsidiaries to identify potential risks and provide recommendations for improvement.

Internal Audit and Reporting Process



In terms of risk identification and assessment, the Audit Department employs a multi-dimensional approach for comprehensive analysis and judgment. On the one hand, we continuously track the external policy environment, regulatory requirements, and industry trends. On the other hand, the Company conducts in-depth analyses closely aligned with the annual audit direction and oversight priorities established by the Audit Committee of the Board. Simultaneously, the Audit Department dynamically monitors operational activities by participating in regular management meetings, enabling the timely identification of emerging management issues and latent risks. When identifying circumstances that have not yet manifested as substantial risks but could potentially impact governance effectiveness or compliance levels, the Audit Department conducts forward-looking pre-assessments based on risk-oriented principles. By extending the scope of internal audit from ex-post supervision to ex-ante early warning, the Company ensures that its audit plans are precisely formulated and highly targeted.

In 2025, guided by its strategic objectives and annual business plan, the Company carried out risk identification based on a combination of annual internal control self-assessments, management interviews and work reports, communication with external audit institutions, and industry analysis and research. We evaluated and categorized major risks based on their potential impact and likelihood of occurrence, thereby defining risk priorities and the direction of resource allocation, and prioritized management and audit resources toward high-risk areas, so as to safeguard the Company’s sustained and sound development.

2025 BOTH Risk Identification and Response Strategy

Risk Category	Potential Impacts	Mitigation Measures
Operational Risk	Intensified market competition, limited market capacity, and evolving customer demands may exert pressure on market share, execution of operational plans, and strategic advancement.	• Continuously monitor market and industry dynamics to adjust business strategies; • Strengthen internal management and quality control; • Track and review the implementation process of key projects to improve operational resilience and responsiveness; • Actively explore new markets and projects to bolster overall competitiveness.
Capital Security & Compliance Risk	Fluctuations in the economic situation, changes in exchange rates and interest rates, and delayed collection of accounts receivable may increase financial pressure and increase bad debt risk.	• Strengthen audit oversight and compliance checks on key areas such as fund utilization and financial reporting; • Implement segregation of duties, regular inventory counts, and scientific authorization and approval processes; • Reinforce financial management and compliance control to prevent financial risks.
Supply Chain Stability Risk	Fluctuations in raw material prices and supply instability may impact procurement costs, project delivery, and capital tie-up.	• Formulate annual procurement plans in advance; • Expand raw material sourcing channels; • Establish contingency reserve mechanisms for critical materials; • Enhance collaboration with core suppliers and provide financial support to ensure stable supply.
Information Security & Confidentiality Risk	Improper management of information system permissions or inadequate confidentiality measures may lead to data leaks or system security threats.	• Implement Network Security Classified Protection and core data encryption technologies; • Regularly conduct information security emergency drills and specialized confidentiality training to enhance protection of sensitive information and emergency response capabilities.
Internal Control Risk in Key Areas (Procurement, Outsourcing, etc.)	Inadequate execution of management processes may trigger compliance risks, cost overruns, or decreased management efficiency.	• Refine processes for procurement, contract awarding (outsourcing), and related businesses, and strengthen supervision of policy execution; • Conduct regular process reviews to enhance the effectiveness of internal controls.

Based on annual risk identification and graded assessment, the Company identified high-risk areas and weak points in control. Guided by the principle of Risk-Oriented and Value Creation, the Audit Department focuses on key risk points such as supplier and subcontractor management, procurement operations, and information security. This initiative drives the transition of audit work from risk identification to audit verification and rectification-driven enhancement.

Overview of Special Audit in Key Risk Areas for 2025 (Excerpt)

Operational Compliance and Process Optimization Audit	Centered around the three core areas of supply chain management, system implementation, and the entire procurement process, a dynamic closed loop of "Compliance Control Risk Warning" is constructed through special audits to deeply penetrate and accurately locate process loopholes and management blind spots.
Financial and Fund Security Audit	Ensure the authenticity and credibility of financial data, provide reliable data support for the company's investment and strategic decision-making, while strictly controlling financial risks, ensuring that raised funds are used for their intended purposes, and improving the efficiency of fund utilization.
Risk Prevention and Rectification Closed-loop Audit	Promote the full process upgrade of auditing from "post correction" to "pre warning, in-process control, and post optimization", systematically enhance the value of auditing, and create value for the sustainable development of the company through more efficient risk identification, more accurate decision support, and more perfect governance efficiency.

For issues identified through audits, the Audit Department promptly provides feedback to relevant departments and urges them to formulate corrective action plans, which are then reviewed by management and implemented accordingly. To facilitate the conversion of audit outcomes into management improvements, the Company simultaneously advanced multiple policy and process optimization measures. For instance, we issued the Notice on Strengthening Confidentiality Management of Corporate Information System Accounts to reinforce account security and permission approval requirements. Additionally, the Classified Management List for Equipment and Material Brand Authorization Information was updated to optimize classification standards and enhance compliance management. Through the closed-loop mechanism of risk identification–audit supervision–rectification implementation–policy optimization, the Company continuously enhances its forward-looking prevention and control capabilities for key risks and the overall effectiveness of corporate governance.

In response to risk points across different business segments, the Company conducted extensive multi-dimensional legal training sessions. The curriculum was closely tailored to operational realities, covering critical legal areas such as the Labor Law of the People's Republic of China, the Civil Code of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and the Advertising Law of the People's Republic of China. These trainings holistically enhance employees' ability to identify and prevent potential compliance risks. During the reporting period, a total of 654 participants attended legal training sessions.

[Case Study] Specialized Training on Project Seal Management

To strengthen internal control over critical business processes, the Company conducted specialized training on project seal management for personnel in key positions. The training enhanced employees' ability to identify, review, and control seal-use risks, and deepened their understanding of the importance of risk management. Covering topics such as operational standards and case analysis, the training helped employees gain a more practical understanding of seal-related risk management, thereby improving the overall standardization of project governance and the Company’s risk prevention and control capabilities.

On-site Specialized Training on Seal Management

To systematically enhance the Company’s risk governance and solidify the foundation for compliant and stable operations, BOTH launched and implemented the "Xiangyun Safety Excellence Program" specialized risk prevention and control initiative in 2025, building upon its existing risk management and internal control systems. Focusing on critical areas such as workplace safety, compliant operations, business ethics, contract management, information security, public opinion risk, and quality management, the initiative clarified risk prevention principles, strengthened policy communication and implementation, and improved risk reporting and emergency response mechanisms. It helped integrate risk management requirements throughout the entire business process, strengthen employees’ awareness of risk and their compliance performance capabilities, and enhance the Company’s forward-looking identification of and systematic response to potential risks.

“Xiangyun Safety Execellence Program” Promotion Poster

Anti-Corruption and Business Integrity

The Company upholds the core ethical values of "Integrity and Honesty, Responsibility and Accountability, Reverence for Nature and Love for People, and Integrity and Self-discipline." Strictly adhering to laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China and the Audit Law of the People's Republic of China, BOTH has formulated internal policies, including the Internal Reporting Management Measures for Non-compliance and the Internal Audit Management Measures. The Company places integrity, anti-commercial bribery, and anti-corruption efforts at the core of corporate governance, fostering a sound culture of ethical conduct and maintaining zero tolerance for corruption. During the reporting period, the Company did not experience any incidents related to commercial bribery, corruption, or unfair competition.

The Company has established an Ethics and Compliance Committee as the coordinating mechanism for integrity and business ethics governance. The Committee is responsible for promoting a culture of integrity, periodically issuing codes of conduct, accepting and organizing the handling of whistleblowing reports regarding employee misconduct, liaising with external supervisory authorities, and making decisions on disciplinary actions for behaviors that prejudice the Company's interests. The General Manager’s Office serves as the standing office of the Ethics and Compliance Committee, undertaking day-to-day coordination and process management to ensure the effective operation of the mechanism.

Integrity Culture Building

The Company is dedicated to fostering an environment of honest cooperation and has extended its integrity requirements throughout the entire supply chain management process. In 2025, the Company issued the Integrity Initiative Letter to Supplier Partners to all business associates, and, through regular communication and outreach, continuously conveyed anti-corruption policies and compliance requirements to suppliers, advocating that all parties work together to maintain a fair and clean business environment.

The Company conducts normalized integrity education and communication activities to enhance employees' awareness of self-discipline and their capacity for compliant duty performance. New employees are required to sign the Employee Integrity Commitment Letter upon onboarding to ensure that they understand and comply with the Company’s integrity commitments. Following onboarding, each employee receives corporate culture training introducing the company's mission, core values, and ethical standards, helping embed integrity concepts deeply in employees’ minds and integrate integrity values into job responsibilities and daily conduct. During the reporting period, 600 employees and 7 members of senior management received anti-commercial bribery and anti-corruption training.

[Case Study] Special Plan for Risk Prevention and Control—" Xiangyun Safety Excellence Program "

During the reporting period, the Company focused on the prevention and control of corruption risks, leveraging the "Xiangyun Safety Excellence Program" to carry out specialized advocacy for a culture of integrity. The initiative systematically identified potential integrity risk scenarios that employees might encounter during the performance of their duties and clearly defined the behavioral boundaries and management requirements for clean and honest conduct. Through policy dissemination and case-based alerts, this specialized action further strengthened pre-emptive warnings and in-process controls for conflicts of interest and fraud risks. It enhanced employees' ability to identify integrity risks and their awareness of behavioral red lines, thereby reducing the probability of corrupt behaviors. This initiative continuously promotes the refinement of the integrity governance system and the construction of a clean supply chain.

Whistleblowing Mechanism

The Company encourages employees to actively participate in internal compliance governance and to expose potential misconduct through the whistleblowing mechanism, thereby safeguarding the Company' s operational order and the shared rights and interests of employees, and fostering a business ethics culture and self-purifying system centered on integrity.

To ensure accessible reporting channels and standardized handling, BOTH has formulated and implemented the Internal Reporting Management Measures for Non-compliance. The policy defines the governing bodies and their responsibilities, specifies the scope of reportable matters, and outlines working disciplines and information security requirements. Furthermore, the Company has established a full-process, traceable mechanism for handling reports. We provide multiple channels, including a reporting hotline and email, supporting both real-name and anonymous reporting to ensure that misconduct is promptly accepted, investigated, and addressed. The Company strictly maintains the confidentiality and protection of whistleblowers and the content of their reports. In principle, no individual—except for the Confidential Secretary of the General Manager's Office and the General Manager—is authorized to access the identity of the whistleblower. The measure ensures the personal and financial safety of those who report misconduct.

Reporting and Complaint Channels

Internal Reporting Hotline: 0510-8272086 ext. 8001

Email: nbbg@jsboth.com

The Company applies closed-loop management to verified misconduct cases, including incident investigation, accountability, policy optimization, and improvement of control procedures. For individuals who make significant contributions by providing reporting leads, BOTH offers incentives or rewards based on the specific circumstances. These measures aim to bolster employee enthusiasm for participating in anti-fraud and compliance governance, thereby continuously enhancing the operational effectiveness of the integrity governance system.

BOTH Whistleblowing Handling Procedure

ESG Performance Table

Economic Performance

Indicator	Unit	2025	2024
Operating Revenue	RMB million	4,133.25	5,244.35
Total Profit	RMB million	288.49	293.83
Total Taxes Paid	RMB million	151.26	177.28
Basic Earnings Per Share	RMB	0.39	0.41
Social Contribution Value per Share [1]	RMB	1.26	1.29

[1]Social Contribution Value Per Share = Basic Earnings Per Share + (Total Taxes Paid + Total Employee Wages and Benefits Paid by the Company + Interest Paid to Creditors such as Banks + External Donations and Other Value Created for Other Stakeholders - Other Social Costs Incurred due to Environmental Pollution, etc.) / Total Number of Shares Issued by the Company.

Environmental Performance

Environmental Management System

Indicator	Unit	2025	2024
Total Environmental Protection Investment [1]	RMB million	2.08	2.83
Number of cases resulting in penalties for violations of environmental protection laws and regulations	number	0	0
The amount of major administrative penalties imposed by relevant authorities, such as the Department of Ecology and Environment, due to environmental incidents during the reporting period	RMB million	0	0

[1] Total Environmental Protection Investment: The statistical scope includes expenses incurred by the Company for hazardous waste disposal, garbage removal, dust control, and the procurement of materials required for civilized construction at project sites.

Energy Utilization and Addressing Climate Change

Indicator		Unit	2025	2024
Total Energy Consumption		tonne of standard coal equivalent	1,715.27	1,530.94
Direct Energy Consumption[1]		tonne of standard coal equivalent	47.15	28.00
Indirect Energy Consumption[2]		tonne of standard coal equivalent	1,668.12	1,502.94
Energy Consumption Intensity		tonne of standard coal equivalent/ per million yuan	0.41	0.29
Clean Energy Consumption[3]		tonne of standard coal equivalent	0	2.16
Gasoline Consumption [4]		Liter	43,897.43	26,070.92
By Country	China	Liter	42,777.43	24,830.92
	Vietnam[5]	Liter	0	0
	Thailand	Liter	1,120.00	870.00
	Malaysia[5]	Liter	0	370.00
Gasoline Consumption Intensity		Liter/RMB million	10.62	4.97
Purchased Electricity Consumption		MWh	13,572.95	12,220.25
By Country[6]	China	MWh	9,227.03	12,100.93
	Vietnam	MWh	2,390.70	111.76
	Thailand	MWh	1,131.80	6.92
	Malaysia	MWh	823.42	0.64
Total GHG Emissions (Scope 1+Scope 2)		tCO_2e	7,045.98	6,603.97
Scope 1 GHG Emissions[7]		tCO_2e	95.65	56.81
Scope 2 GHG Emissions[8]		tCO_2e	6,950.33	6,547.16
GHG Emissions Intensity (Scope 1+ Scope 2)		tCO_2e/RMB million	1.70	1.26

[1] Direct Energy Consumption: Direct energy use comes from gasoline for company-owned vehicles. Direct energy consumption is calculated using the average lower heating value coefficients published in the China Energy Statistical Yearbook by the National Bureau of Statistics.

[2] Indirect Energy Consumption: Indirect energy use comes from purchased electricity. Indirect energy consumption is calculated using the 20° C calorific value in accordance with GB/T 2589—2020 General Rules for Calculation of the Comprehensive Energy Consumption.

[3] Clean Energy Consumption: The 2024 clean energy consumption comes from solar street lights self-built in the factory area.

[4] The 2024 gasoline consumption data, upon review and verification by the Company, was found to have deviations in the original statistical scope. The 2024 figures for comprehensive energy consumption, direct energy consumption, comprehensive energy consumption per unit revenue, total GHG emissions (Scope 1+Scope 2), Scope 1 GHG emissions, and GHG emissions per unit revenue (Scope 1+ Scope 2) have been retrospectively calculated and corrected accordingly. In the 2024 statistics, data for Mainland China only included the headquarters (excluding business units); in 2025, the data statistical scope was refined to cover data from all domestic and overseas business units, subsidiaries, and all operational segments (office, project implementation, and manufacturing). Additionally, overseas subsidiaries commenced operations in 2024 but not for the full year. Therefore, gasoline consumption in 2025 increased compared to the previous year. Similarly, the Company’ s 2025 direct energy consumption and Scope 1 GHG emissions increased compared to 2024.

[5] In 2025, subsidiaries in Malaysia and Vietnam did not lease shuttle buses, so no gasoline consumption was incurred in 2025.

[6] Purchased Electricity Consumption by Country: In the 2024 statistics, data for Mainland China only included the headquarters (excluding business units), and data for overseas countries like Thailand and Vietnam only covered overseas office operations. In 2025, the data statistical scope was refined to cover data from all domestic and overseas subsidiaries and all operational segments. Additionally, overseas subsidiaries commenced operations in 2024 but not for the full year. Therefore, electricity consumption in 2025 differs significantly from the previous year. Similarly, the Company’ s 2025 indirect energy consumption and Scope 2 GHG emissions increased compared to 2024.

[7] Scope 1 GHG Emissions: Scope 1 GHG emissions originate from CO2 generated by gasoline consumption of company-owned vehicles. The carbon emission coefficient refers to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises - Power Generation Facilities, the China Energy Statistical Yearbook, and the CEIC website. In 2025, gasoline consumption from overseas subsidiaries accounted for less than 3%, having a negligible impact on total GHG emissions; their emission coefficients are consistent with China’ s values.

[8] Scope 2 GHG Emissions: Scope 2 GHG emissions originate from purchased electricity. The carbon emission coefficient for purchased electricity in Mainland China for 2024 adopts the Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2024. For 2025, it adopts the Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2025. The carbon emission coefficients for Vietnam, Thailand, and Malaysia are sourced from LowCarbonPower.

Water Resource Utilization[1]

Indicator		Unit	2025	2024
Water Consumption[2]		m^3	15,206.10	8,527.01
By Country	China	m^3	6,678.10	8,489.41
	Vietnam	m^3	553.00	26.80
	Thailand	m^3	5,768.00	10.80
	Malaysia	m^3	2,207.00	/

Indicator		Unit	2025	2024
By Stage	Office Operations	m^3	227.90	238.31
	Project Implementation	m^3	14,557.00	7,930.00
	Manufacturing	m^3	421.20	358.70
Total Volume of Recycled Water		m^3	6,038.00	1,890.00

[1] Statistical Scope: In the 2024 statistics, environmental data for overseas countries such as Thailand and Vietnam temporarily only included overseas office operations. The "Project Implementation" and "Manufacturing" data by stage also did not include the Company's overseas operations. In 2025, the data statistical scope was refined to cover data from all domestic and overseas subsidiaries and all segments. Additionally, overseas subsidiaries commenced operations in 2024 but not for the full year. Therefore, water consumption in 2025 differs significantly from the previous year.

[2] Water Consumption: Water consumption is the net amount of water consumed and non-recoverable during the water use process. The calculation formula is: Water Consumption = Water Withdrawal - Wastewater Discharge. For project implementation, water consumption is calculated based on actual water withdrawal and discharge. Office operations and manufacturing do not have dedicated discharge facilities, so wastewater discharge is estimated as 90% of water withdrawal, i.e., water consumption is estimated as 10% of water withdrawal.

Pollutant Emissions and Waste Treatment[1]

Indicator		Unit	2025	2024
Total Hazardous Waste Generated [2]		tonne	10.43	0.12
By Country	China	tonne	5.23	/
	Vietnam	tonne	2.50	/
	Thailand	tonne	0.70	/
	Malaysia	tonne	2.0	/
Total Non-Hazardous Waste Generated [3]		tons	18,757.57	14.30
By Country	China	tonne	18,701.67	/
	Vietnam	tonne	25.00	/
	Thailand	tonne	3.00	/
	Malaysia	tonne	20.00	/
Volume of Waste Recycled		tonne	12.83	22.57

[1] Pollutant Emissions and Waste Treatment: The 2024 statistical scope covers waste generated from office operations in Mainland China. The 2025 statistical scope covers waste generated from all operational segments in Mainland China and project implementation segments of overseas subsidiaries.

[2] Total Hazardous Waste Generated: Hazardous waste mainly includes discarded epoxy construction drums, waste paint drums generated during project implementation, and electronic products from office operations.

[3] Total Non-hazardous Waste Generated: Non-hazardous waste primarily includes construction debris generated during project implementation, as well as waste from office operations such as used batteries, waste paper, household waste, toner cartridges, ink cartridges, and food waste.

Ecosystem and Biodiversity Protection

Indicator	Unit	2025	2024
Area of Biodiversity-Sensitive Areas Affected by Construction Activities	hectare	0	0
Proportion of Employees Trained in Biodiversity Protection	%	12	10

Green Construction

Indicator	Unit	2025	2024
Number of Completed Projects Certified with Third-Party Multi-Attribute Sustainable Standards	Projects	1	/
Number of Ongoing Projects Applying for Third-Party Multi-Attribute Sustainable Standards	Projects	3	/

Social Performance

Employee Training and Development

Indicator		Unit	2025	2024
Total Number of Employees[1]		person	1,209	1,174
By Gender	Male Employees	person	945	913
	Female Employees	person	264	261

Indicator		Unit	2025	2024
By Age Group	Employees Aged >50	person	35	32
	Employees Aged 30-50	person	678	513
	Employees Aged <30	person	496	629
Number of Senior Management Employees		person	7	7
Employee Turnover Rate[2]		%	25.39	29.73
By Gender	Male Turnover Rate	%	25.93	29.90
	Female Turnover Rate	%	23.48	29.12
By Age Group	Turnover Rate for Employees Aged >50	%	17.14	28.13
	Turnover Rate for Employees Aged 30-50	%	21.68	32.55
	Turnover Rate for Employees Aged <30	%	31.05	27.50
Total Employee Training Expenditure[3]		RMB thousand	858.5	277.4
Number of Employee Training Sessions[4]		time	222	161
Employee Training Coverage		%	100	100

[1] Total Number of Employees: Statistical scope covers entities included in the consolidated financial statements.

[2] Employee Turnover Rate: Calculation formula: Number of employees who left during the year / Total number of employees.

[3] Total Employee Training Expenditure: Among which, training expenditure for the core management team in 2025 exceeded RMB 700,000.

[4] Number of Employee Training Sessions: New online courses were added in 2025, resulting in a significant increase in the number of annual training sessions compared to the previous year.

Occupational Health and Safety

Indicator	Unit	2025	2024
Lost Time Injury Frequency Rate per Million Hours Worked (LTIR)	——	0.16	0.3
Injury Rate per Million Hours Worked	——	0.31	0.3
Employee Coverage Rate for Personal Accident Insurance or Group Accident Insurance	%	100	100
Work-Related Injury Insurance Coverage Rate	%	100	100
Total Safety Production Training Hours[1]	hour	945,971.00	1,179,183.00
Number of Emergency Drill Activities	time	117	139
Number of Participants in Emergency Drills	person-times	8,248	10,953
Number of Fatalities Due to Work-Related Injuries	person	0.00	0.00
Number of Occupational Health and Safety Training Sessions	time	1,824	2,116
Coverage Rate for Occupational Health and Safety Training	%	100	100
Total Occupational Health and Safety Training Hours	hours	248,483.00	307,201.00
Number of Occupational Disease Cases	case	0	0
Number of Third-Party Safety Audits	number	7	8
Safety Hazard Rectification Rate	%	97.80	96.20
Coverage Rate for Safety Production Training	%	100	100
Number of Major Safety Accidents	Incidents	0	0

[1] Total Safety Production Training Hours: Total training hours are the sum of safety training hours per person throughout the year.

Diversity, Equality, and Inclusion

Indicator	Unit	2025	2024
Number of Penalties for Violations of Employment and Labor Laws/Regulations	case	0	0
Number of Labor Dispute Incidents	case	0	0
Number of Projects Reviewed and Approved by the Trade Union	number	1	1
Coverage Rate of Collective Bargaining Agreements	%	100	/
Return-to-Work Rate of Employees Taking Parental Leave[1]	%	97.92	98.99
Retention Rate of Employees Taking Parental Leave[2]	%	87.23	68.37
Total Employee Welfare Expenditure	RMB million	1.69	2.27
Total Number of Discrimination Incidents during the Reporting Period	case	0	0

[1] Return-to-Work Rate of Employees Taking Parental Leave = (Total number of employees who returned to work after parental leave during the reporting period / Total number of employees who took parental leave) * 100

[2] Retention Rate of Employees Taking Parental Leave = (Total number of employees who returned to work after parental leave and remained employed 12 months later / Total number of employees who returned to work after parental leave during the reporting period) * 100

Quality Management

Indicator	Unit	2025	2024
Project Completion and Handover Acceptance Rate	%	100	100
Amount Involved in Major Quality-Related Liability Incidents for Services	RMB million	0.00	0.00

Data Security and Customer Privacy Protection

Indicator	Unit	2025	2024
Employee Confidentiality Agreement Signing Rate	%	100	100
Proportion of Employees Covered by Information Security Training	%	81.00	79.62
Amount Involved in Data Security Incidents	RMB million	0.00	0.00
Number of Penalties for Violations of Information Security Laws/Regulations	case	0	0
Number of Customers, Clients, and Employees Affected by Information Security-Related Incidents	person	0	0
Amount Involved in Customer Privacy Leakage Incidents	RMB million	0.00	0.00
Number of Projects Violating Customer Confidentiality Requirements	number	0	0
Compliance Rate for Project Customer Confidentiality Requirements	%	100	100

Innovation-Driven Development

Indicator	Unit	2025	2024
Number of R&D Personnel	person	11	24
Number of Patent Applications during Reporting Period[1]	number	16	18
Number of Patents Granted during Reporting Period[1]	number	14	6
Number of Valid Patents during Reporting Period[1]	number	110	105
Number of Invention Patents Applied to Main Business	number	3	2
R&D Investment Amount	RMB million	6.34	12.57

[1] Number of Patent Applications during Reporting Period, Number of Patents Granted during Reporting Period, Number of Valid Patents during Reporting Period: The 2024 statistical scope did not include the subsidiary BOTHX Advanced Manufacturing Technology Co.,Ltd. The 2025 statistical scope covers BOTH Engineering & Technology Co., Ltd. and all its subsidiaries.

Sustainable Supply Chain

Indicator	Unit	2025	2024
Total Number of Suppliers (at end of period)	number	4,881	4,453
Number of Suppliers in Mainland China (at end of period)	number	4,714	4,402
Number of Suppliers in Hong Kong, Macao, Taiwan, and Overseas[1]	number	167	51
Number of Suppliers Undergoing Environmental and Social Impact Assessment	number	4,527	4,099

[1] The significant increase in the number of suppliers from Hong Kong, Macao, Taiwan, and overseas in 2025 compared to the previous year is due to the growth of the Company’ s overseas business.

Supporting Community Development

Indicator	Unit	2025	2024
Charitable Donation Amount	RMB thousand	205.00	110.00
Total Volunteer Activity Hours	hour	0.00	2.00
Number of Employee Volunteer Participations	person-times	0	2

Governance Performance

Anti-Commercial Bribery and Anti-Corruption

Indicator	Unit	2025	2024
Number of Suppliers in Anti-Commercial Bribery and Anti-Corruption	number	4,881	4,453
Proportion of Suppliers Covered by Anti-Commercial Bribery and Anti-Corruption Training	%	100	100
Supplier Integrity Agreement Signing Rate	%	100	100
Number of Directors Trained in Anti-Commercial Bribery and Anti-Corruption	person	8	8
Number of Employees Trained in Anti-Commercial Bribery and Anti-Corruption	person	600	600
Employee Coverage Rate for Anti-Commercial Bribery and Anti-Corruption Training	%	49.63	51.11
Signing Rate for Business Ethics Documents (e.g., Integrity in Employment) among All Employees	%	100	100
Number of Senior Management Employees Trained in Anti-Commercial Bribery and Anti-Corruption	person	7	7
Coverage Rate for Anti-Commercial Bribery and Anti-Corruption Training among Senior Management	%	100	100
Number of Concluded Corruption Lawsuits Filed against the Company or its Employees during Reporting Period	number	0	0
Amount of Fines for Corruption Incidents	RMB million	0.00	0.00
Number of Internal Anti-Corruption/Anti-Bribery Reports	number	0	0

Anti-Unfair Competition

Indicator	Unit	2025	2024
Amount Involved in Lawsuits or Major Administrative Penalties due to the Company's Unfair Competition Practices	RMB million	0.00	0.00

Compliance and Risk Management

Indicator	Unit	2025	2024
Legal Training Hours	hour	5	/
Number of Participants in Legal Training	person	654	/
Number of Legal Personnel Participating in Training	person	3	/
Amount Involved in Lawsuits or Fines (Violations other than Environment, Anti-Corruption, Labor)	RMB million	0	/
Total Internal Risk Control Training Hours	hour	5	/
Risk Management Training Coverage Rate for Board Members	%	100	/
Amount Involved in Lawsuits or Major Administrative Penalties due to Unfair Competition Practices	RMB million	0	0
Number of Projects Not Passing Compliance and Risk Review at the Opportunity Assessment Stage[1]	number	179	100

[1] Number of Projects Not Passing Compliance and Risk Review at the Opportunity Assessment Stage: The Company conducts compliance and risk reviews during the opportunity assessment stage. Projects that fail the review are discontinued from the business process, and subsequent cooperation matters are not pursued. After data tracing, the number of "Projects Not Passing Compliance and Risk Review at the Opportunity Assessment Stage" for the 2024 full-year company-wide scope should be 100, and the data has been updated accordingly.

Corporate Governance

Indicator	Unit	2025	2024
Number of Shareholders' Meetings Held	time	5	6
Number of Proposals Reviewed and Approved	number	14	25
Number of Board Members	person	8	8
Male Directors	person	8	8
Female Directors	person	0	0
Independent Directors	person	3	3
Non-Independent Directors	person	5	5
Number of Board Meetings Held	time	11	11
Attendance Rate of Individual Board Members	%	100	100
Number of Resolutions Passed by the Board	number	48	63
Number of Audit Committee Meetings Held	number	4	6
Attendance Rate of Individual Audit Committee Members	%	100	100
Number of Nomination Committee Meetings Held	time	0	3
Attendance Rate of Individual Nomination Committee Members	%	100	100
Number of Remuneration and Assessment Committee Meetings Held	time	4	4
Attendance Rate of Individual Remuneration and Assessment Committee Members	%	100	100
Number of Strategy and Sustainability Committee Meetings Held	time	1	0
Attendance Rate of Individual Strategy and Sustainability Committee Members	%	100	100
Number of Supervisory Committee Meetings Held	time	4	10
Total Proposals Reviewed by the Supervisory Committee	number	15	29
Average Attendance Rate of the Supervisory Committee	%	100	100

Investor Relations Management

Indicator	Unit	2025	2024
Number of On-Site Investor Research Meetings Received	time	21	17
Number of Participants in On-Site Investor Research Meetings	person	74	35
Investor Question Response Rate	%	100	100
Number of Performance Briefings	time	3	3

Appendix-Comparison Index Table

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

Disclosure Requirements	Corresponding Chapter
Topics Required to be Disclosed by the Guidelines	
Climate Response	Addressing Climate Change
Pollutant Discharge	Pollutant Emissions and Waste Treatment ESG Performance Table
Waste Disposal	Pollutant Emissions and Waste Treatment ESG Performance Table
Ecosystem and Biodiversity Protection	Ecosystem and Biodiversity Protection
Environmental Compliance Management	Environmental Management System
Energy Utilization	Energy Utilization
Water Resources Utilization	Water Resource Utilization ESG Performance Table
Circular Economy	Resource Utilization and Circular Economy
Rural Revitalization	Rural Revitalization and Public Welfare Initiatives ESG Performance Table
Social Contributions	Support Community Development ESG Performance Table
Innovation-driven	Driving Industry Leadership Through Innovation
Ethics of Science and Technology	The Company is not involved in scientific research or technology development in ethically sensitive fields such as life sciences and artificial intelligence.
Supply Chain Security	Building a Responsible Supply Chain
Equal Treatment of SMEs	Fair Treatment of Small and Medium-sized Enterprises
Product and Service Safety and Quality	Excellent Delivery Customer Service
Data Security and Customer Privacy	Data Security and Customer Privacy Protection
Employees	Employee Development and Well-being ESG Performance Table
Due Diligence	Materiality Analysis
Stakeholder Engagement	Stakeholder Engagement
Anti-Commercial Bribery and Anti-Corruption	Anti-Corruption and Business Integrity ESG Performance Table
Anti-Unfair Competition	Anti-Corruption and Business Integrity
Issues Identified and Independently Disclosed Based on Article 5 of the Guidelines	
Green Construction	Green Construction and Sustainable Delivery ESG Performance Table
Corporate Governance	Corporate Governance ESG Performance Table
Investor Relations Management	Investor Relations Management ESG Performance Table
Compliance and Risk Management	Compliance and Risk Management ESG Performance Table

GRI Content Index

Statement of Use: BOTH has referenced and consulted GRI 1: Foundation 2021. Based on this, We have used the GRI Standards to prepare this ESG report in accordance with the GRI Standards.

GRI Standard	Disclosure	Chapter Name and Remarks
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Profile
	2-2 Entities included in the organization' s sustainability reporting	About This Report - Reporting Scope
	2-3 Reporting period, frequency, and contact point	
	2-4 Restatements of information	ESG Performance Table
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	Company Profile Creating Value for Clients Building a Responsible Supply Chain
	2-7 Employees	Employee Development and Well-being ESG Performance Table
	2-8 Workers who are not employees	Occupational Health and Safety
	2-9 Governance structure and composition	Sustainable Development Governance Corporate Governance
	2-10 Nomination and selection of the highest governance body	Sustainable Development Governance Corporate Governance
	2-11 Chair of the highest governance body	Sustainable Development Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management Corporate Governance Materiality Analysis
	2-13 Delegation of responsibility for managing impacts	Sustainable Development Governance Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	About This Report Sustainable Development Management Materiality Analysis
	2-15 Conflicts of interest	Investor Relations Management
	2-16 Communication of critical concerns	Stakeholder Engagement Materiality Analysis Compliance and Risk Management
	2-17 Collective knowledge of the highest governance body	Sustainable Development Governance Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	/
	2-19 Remuneration policies	Refer to the Company's 2025 Annual Report
	2-20 Process to determine remuneration	Refer to the Company's 2025 Annual Report
	2-21 Annual total compensation ratio	/
	2-22 Statement on sustainable development strategy	Sustainability Strategy
	2-23 Policy commitments	Sustainability Strategy Corporate Governance Diversity, Equity, and Inclusion Building a Responsible Supply Chain
	2-24 Embedding policy commitments	Sustainable Development Governance
	2-25 Processes to remediate negative impacts	Customer Service Diversity, Equity, and Inclusion Anti-Corruption and Business Integrity
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement Anti-Corruption and Business Integrity
	2-27 Compliance with laws and regulations	See relevant chapters throughout the report
	2-28 Membership associations	Company Profile - Qualifications and Industry Engagement
	2-30 Collective bargaining agreements	Employee Development and Well-being ESG Performance Table
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis
	3-2 List of material topics	
	3-3 Management of material topics	

GRI Standard	Disclosure	Chapter Name and Remarks
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Ecosystem and Biodiversity Protection
	101-2 Management of biodiversity impacts	
	101-3 Access and benefit-sharing	/
	101-4 Identification of biodiversity impacts	Ecosystem and Biodiversity Protection
	101-5 Locations with biodiversity impacts	
	101-6 Direct drivers of biodiversity loss	Not Applicable
	101-7 Changes to the state of biodiversity	
	101-8 Ecosystem services	/
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Investor Relations Management ESG Performance Table
	201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Employee Development and Well-being ESG Performance Table
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Promoting a Sustainable Future ESG Performance Table
	203-2 Significant indirect economic impacts	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Procurement
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption and Business Integrity ESG Performance Table
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	

GRI Standard	Disclosure	Chapter Name and Remarks
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Resource Utilization and Circular Economy ESG Performance Table
	301-2 Recycled input materials used	Resource Utilization and Circular Economy
	301-3 Reclaimed products and their packaging materials	Not Applicable
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Green Construction and Sustainable Delivery - Energy Utilization ESG Performance Table
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Green Construction and Sustainable Delivery - Water Resource Utilization ESG Performance Table
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change ESG Performance Table
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	

GRI Standard	Disclosure	Chapter Name and Remarks
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Applicable
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollutant Emissions and Waste Management ESG Performance Table
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Building a Responsible Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Performance Table
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity, Equity, and Inclusion
	401-3 Parental leave	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Diversity, Equity, and Inclusion
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety ESG Performance Table
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	

GRI Standard	Disclosure	Chapter Name and Remarks
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety ESG Performance Table
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development ESG Performance Table
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Equity, and Inclusion ESG Performance Table
	405-2 Ratio of basic salary and remuneration of women to men	Diversity, Equity, and Inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity, and Inclusion

GRI Standard	Disclosure	Chapter Name and Remarks
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Diversity, Equity, and Inclusion
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Diversity, Equity, and Inclusion
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity, Equity, and Inclusion
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No incidents involving violations of the rights of indigenous peoples occurred during the reporting period.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Support Community Development The company will establish a more comprehensive system in the future to collect data on operational activities involving local community communication, impact assessment, and community development plans.
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Building a Responsible Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Excellent Delivery ESG Performance Table
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy Protection ESG Performance Table

Appendix- List of Full Names and Abbreviations of Subsidiaries

ANHUI YOOTH ENGINEERING CO., LTD.
BOTHX ADVANCED MANUFACTURING TECHNOLOGY CO., LTD.
GETEK MOLECULAR FILTRATION TECHNOLOGY CO., LTD.
FINE BOTH TRADING LIMITED
FINE BOTH TRADING LIMITED (Hong Kong)
BOTH (VN) ENGINEERING TECHNOLOGY CO., LTD. (Vietnam)
FINE ENGINEERING TECHNOLOGY (Thailand) Co., Ltd
FINE ENGINEERING TECHNOLOGY PTE. LTD (Singapore)
FINE ENGINEERING TECHNOLOGY SDN. BHD.(Malaysia)

Abbreviations used in the report are defined as follows:

Abbreviation	Full Name
BOTHX	BOTHX ADVANCED MANUFACTURING TECHNOLOGY CO., LTD.
YOOTH Engineering Design	ANHUI YOOTH ENGINEERING CO., LTD.
GETEK	GETEK MOLECULAR FILTRATION TECHNOLOGY CO., LTD.