Shenzhen JingQuanHua Electronics Co., Ltd.

Stock Code: 002885

2025

Sustainability (ESG) Report

Shenzhen JingQuanHua Electronics Co., Ltd.

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About This Report

This report is the second Environmental, Social and Governance (ESG) report released by Shenzhen JingQuanHua Electronics Co., Ltd.

• Reporting Scope

This report takes Shenzhen JingQuanHua Electronics Co., Ltd. as the main entity and includes its subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company's annual report.

Term	Refers to
Company / We / Jingquanhua	Shenzhen JingQuanHua Electronics Co., Ltd.
Hong Kong Jingquanhua	Jingquanhua Development (Hong Kong) Company Limited
Hubei Runsheng	Hubei Runsheng Electronics Industry Co., Ltd.
Smart Electric	Shenzhen Jingquanhua Smart Electric Co., Ltd.
Jiangsu Jingquanhua	Jiangsu Jingquanhua Electronic Technology Co., Ltd.
Heyuan Jingquanhua	Heyuan Jingquanhua Technology Co., Ltd.
Jingquanhua Energy	Guangdong Jingquanhua Energy Co., Ltd.
Electric Control Technology	Jingquanhua (Shenzhen) Electric Control Technology Co., Ltd.
India Jingquanhua LLP	JQH ELECTRONICS INDIA LLP
Xuchang Branch	Shenzhen Jingquanhua Electronics Co., Ltd. Xuchang Branch
Japan Jingquanhua	Jingquanhua Japan Co., Ltd.
Philippines Branch	Shenzhen Jingquanhua Electronics Co., Ltd. Philippines Branch

• Reporting Period

This report is an annual report covering the period from January 1, 2025 to December 31, 2025. Some contents extend beyond the above period and are explained where relevant.

• Preparation Basis

Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) by Shenzhen Stock Exchange

Self-regulatory Guidelines No.3 for Listed Companies -Preparation of Sustainability Report by Shenzhen Stock Exchange

Sustainable Development Goals (SDGs) of the United Nations

GRI Sustainability Reporting Standards (GRI Standards) (2021 Edition) by Global Reporting Initiative

• Data Sources

Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) by Shenzhen Stock Exchange

Self-regulatory Guidelines No.3 for Listed Companies -Preparation of Sustainability Report by Shenzhen Stock Exchange

Sustainable Development Goals (SDGs) of the United Nations

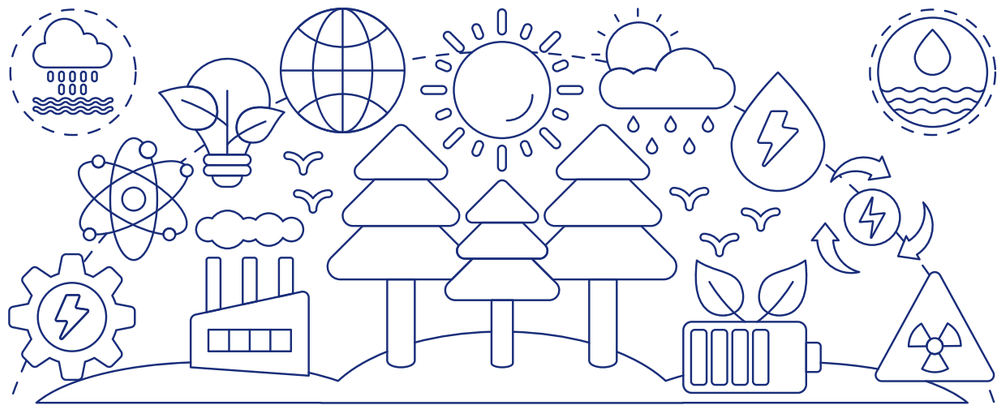
GRI Sustainability Reporting Standards (GRI Standards) (2021 Edition) by Global Reporting Initiative

• Reliability Statement

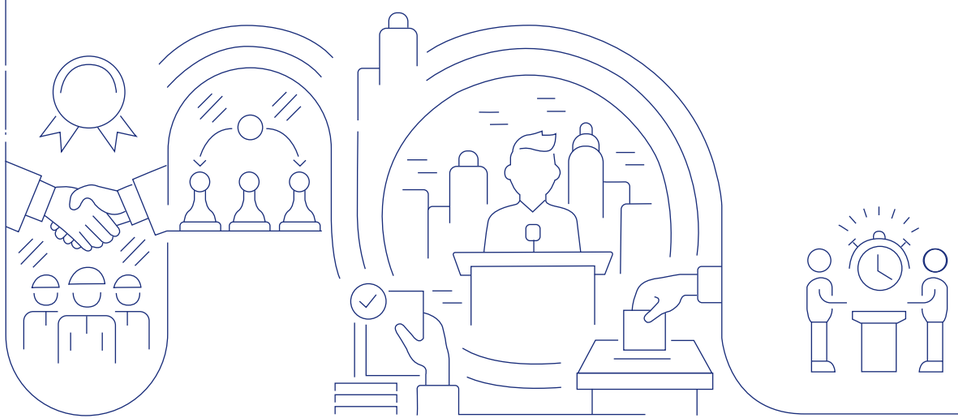
The Company undertakes that the content of this report contains no false records, misleading statements or material omissions.

• Access to this Report

This report is published in Chinese. This report is available for review and download on the official websites of the Company (https://www.-jqh.cc/index.html) and the Shenzhen Stock Exchange website (http://www.szse.cn).



Message from the Chairman



2025 is a critical year for JingQuanHua in deepening its sustainable development strategy. In the face of global climate change challenges and the wave of green industrial transformation, we have always firmly believed that the value of an enterprise lies not only in the growth of its operating performance, but also in its long-term responsibility to society and the environment. During this year, we have deeply integrated ESG concepts into the Company's governance and operational practices, achieving steady development while continuously exploring pathways for the coordinated advancement of economic benefits and social value.

At the environmental level

guided by the "dual carbon" goals, we have comprehensively promoted green manufacturing. The Company has officially established a unified energy and carbon management platform, enabling real time monitoring and refined control of energy consumption and carbon emission data, and has deployed a product carbon footprint accounting platform to provide digital support for systematic carbon reduction. In 2025, the Company was recognized as a "Shenzhen Municipal Green Factory" and subsequently a "National Green Factory". These honors serve as authoritative recognition of Jingquanhua's commitment to green and sustainable development, as well as its low-carbon transformation efforts, particularly its achievements in five key areas: low-carbon energy, resource efficiency, clean production, green products, and land-use intensification.

In terms of social responsibility

Wee adhere to the philosophy of "respect for life, dedication to products", and continuously create a safe, diverse, and caring growth environment for employees. The Company organized multiple safety training sessions for 158,353.5 hours throughout the year, with overall employee satisfaction exceeding 93%. We pay attention to the sustainable development of the supply chain, promote suppliers to sign social responsibility commitments, and actively carry out rural revitalization and community public welfare activities. Throughout the year, we made donations in cash and in kind to support education, healthcare, and local development, giving back to society through practical actions.

At the governance level

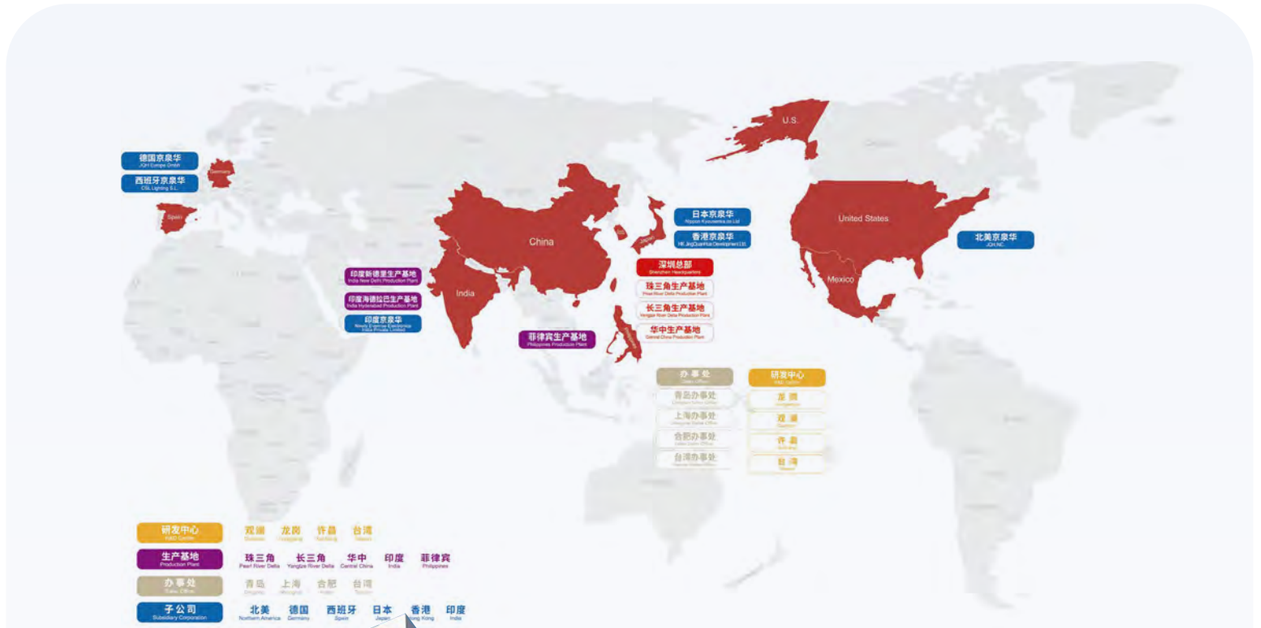
We continuously improve the ESG governance structure. The Board of Directors has established a Strategy and ESG Committee, incorporating sustainable development issues into the highest level of decision making. The Company strictly adheres to the bottom line of business ethics, deepens anti-corruption and compliance management, strengthens information security protection, and has built a digital management system covering the entire process of research and development, production, and supply chain, laying a solid foundation for the Company's high-quality development.

Looking ahead, we will continue to drive green transformation through innovation and lead sustainable development through responsibility. We look forward to working together with all stakeholders to contribute JingQuanHua's strength on the path toward creating a cleaner and better future.

About JingQuanHua Technology

Shenzhen JingQuanHua Electronics Co., Ltd. (Stock Code: 002885) was originally established as JingQuanHua Electronics in June 1996. Located in Shenzhen, a frontier of China's economic reform and opening up, the Guangdong Hong Kong Macao Greater Bay Area, and a pilot demonstration zone of socialism with Chinese characteristics, the Company is a national high-tech enterprise and one of the Top 100 Chinese electronic components enterprises, integrating the research and development, production, sales, and services of magnetic components and power supply products. Relying on a model-based design platform, with magnetic components manufacturing as the foundation and the simultaneous development of power supply products and automotive magnetic components as its features, the Company has formed a product line with more reliable performance, more stable quality, and more advanced technology. After years of development, the Company has become a professional supplier with competitive advantages and brand influence in the domestic magnetic components and power supply industry, while also being committed to serving customers from all over the world. Its business scope currently covers major countries and regions including Europe, the Americas, East Asia, South Asia, and Southeast Asia.

The Company adheres to "respect for life, dedication to products", cooperating with customers to develop electronic products that improve people's quality of life, making life safer, healthier, and more environmentally friendly. It is committed to providing high-quality magnetic integration and power supply solutions for products that create a cleaner and better future in consumer electronics, clean energy, new energy vehicles, and other fields, and for products that promote the improvement of human quality of life.



Corporate Culture

Corporate Vision

To become a leading provider of power system solutions and related magnetic components

To become a united and progressive family where benefits are shared, and development is harmonious

Corporate Mission

Offering optimal choice for advanced electrical manufacturers

Corporate Values

Brand Supremacy, Innovation for Change, Focus and Pragmatism, Integrity and Gratitude.

企业发展历程

1996

Shenzhen JingQuanHua Electronics Co., Ltd. was founded

2003

The Company relocated its headquarters to Longhua, Shenzhen

2008

Hong Kong JingQuanHua Development Co., Ltd. was established

2010

JingQuanHua Hubei production base was established

2012

- The Company's shareholding reform was completed
- JingQuanHua Philippines production plant was established

2014

JingQuanHua North America subsidiary was established

2016

- JingQuanHua Technology India Private Limited was established
- The Company celebrated its 20th anniversary
- JingQuanHua Technology India Joint Venture was established

2017

The Company was listed on the Shenzhen Stock Exchange (Stock Code: 002885)

2018

- JingQuanHua Germany subsidiary was established
- JingQuanHua Intelligent Electric Co., Ltd was established

2019

- The National Engineering Technology Research Institute for Power Conversion and Control, Shenzhen JingQuanHua Branch was established in collaboration with Hunan University.
- JingQuanHua Technology Industrial Park was put into use

2022

- The Yangtze River Delta Industrial Plant was established and Yancheng JingQuanHua was founded
- The Greater Bay Area Industrial Plant was established and Heyuan JingQuanHua was founded.
- The Company's private placement project passed without hearing

2024

Guangdong JingQuanHua Energy Co., Ltd. was established

2025

JingQuanHua Philippines subsidiary was established

Corporate Qualifications

Company Name	Quality					Environment Health and Safety			Sustainable Development							Customs Credit	Enterprise Credit
	QMS ISO 9001	HSPM QC080000	IATF 16949	IECQ ESD	CNAS ISO 17025	EMS ISO 14001	OHSMS ISO 45001	C-TPAT	GHG ISO 14064	PCF ISO 14067	EnMS ISO 50001	ESG (Group)	Green Factory (Technology, Longgang)	EcoVadis (Group)	UNGC (Group)	AEO	Dun & Bradstreet
JingQuanHua Technology Co., Ltd.	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Heyuan JingQuanHua	✓	✓				✓	✓		✓								
Smart Electric	✓	✓	✓			✓	✓	✓	✓	✓							✓
Jiangsu JingQuanHua	✓	✓							✓								
Hubei Runsheng Electronics	✓	✓							✓								
Guangdong JingQuanHua Energy	✓					✓	✓		2025 Implementation and Verification								
Philippines Factory	✓	2026 Certification				✓			Self Inspection								✓
India Factory	✓					✓	✓		Self Inspection								✓

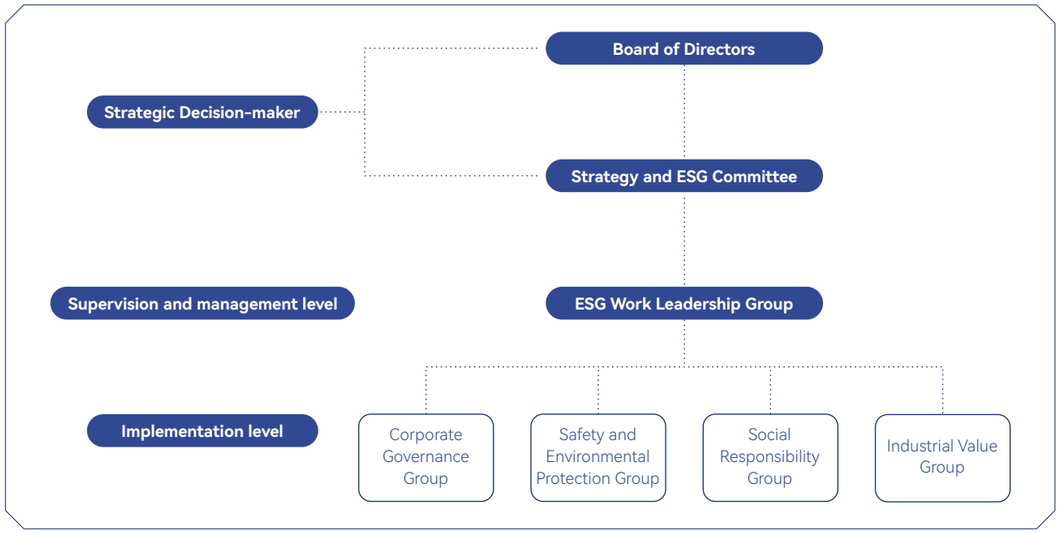
Major Honors in 2025

- China Patent Excellence Award — China National Intellectual Property Administration
- 2025 Shenzhen Green Factory — Shenzhen Municipal Bureau of Industry and Information Technology
- The 10th Batch of National Green Factories — Ministry of Industry and Information Technology
- 2025 China Electronic Components Backbone Enterprise TOP 100 — China Electronic Components Association
- 2025 Shenzhen TOP 500 Enterprises — Shenzhen Enterprise Confederation and Shenzhen Entrepreneurs Association (Shenzhen Enterprise Confederation)

Sustainable Development Governance

Governance Structure

JingQuanHua Technology has established a three tier ESG governance structure covering strategic decision making, supervision and management, and execution and implementation in accordance with relevant regulatory requirements and has formulated the ESG Work Management Manual. The Board of Directors has established a Strategy and ESG Committee, which is responsible for approving ESG strategies and major matters. The ESG Work Leading Group coordinates daily management and planning implementation. Four major thematic working groups take the lead in promoting specific execution, ensuring that ESG issues are integrated into the entire business process. During the reporting period, the Company has completed the adjustment of the Strategy Committee, further consolidating the foundation of sustainable development governance.



Key Performance

During the reporting period, the Company

Organized **5** ESG training sessions, with **236** participants.

Joined the **United Nations Global Compact** (UNGC) and obtained the annual report.

Achieved a Wind ESG rating of **AA**

Passed EcoVadis certificationand obtained a **bronze medal** level.

Stakeholder Communication

The Company understands and responds to the expectations and demands of various stakeholders through standardized and systematic stakeholder communication processes, to enhance the Company's operational management capability and sustainable development capability.

Related Parties	Shareholders and Investors	Government and Regulatory Authorities	Management
Related Party Representatives	• Investors • Potential Investors	• Governments at All Levels and Competent Authorities • Shenzhen Stock Exchange • China Securities Regulatory Commission	• Members of the Board of Directors • Senior Management • Department Heads
Key Concerns of Related Parties	• The Company's Business and Fundamentals • The Company's Strategic Development Direction • The Company's Financial Performance and Market Prospects • The Company's Governance and Risk Control Capability	• Lawful and Compliant Operations • Response to Climate Change and Carbon Neutrality • Contribution to Local Economic and Industrial Development	• The Company's Strategic Execution and Market Competitiveness • Efficient Corporate Management Structure • The Company's Profitability
Communication and Participation Methods	• Regular Information Disclosure • Shareholders' Meeting • Investor Roadshows and Communication Conferences • Communication via Telephone and Email • On-Site Factory Visits • Performance Briefings • Investor Relations Management Activities through New Media	• Regular Information Disclosure • Participation in Relevant Meetings • Communication through Industry Associations and Other Institutions	• Regular Work Reports • Management Meetings • Specialized Training • Email • Enterprise Collaborative Office Platform

Related Parties	Employees	Customers	Partners	Community Partners
Related Party Representatives	• General Employees	• Domestic and Overseas Customers	• Suppliers • Contractors • Partners	• Surrounding Communities • Universities and Research Institutions • ESG Rating Agencies • Media • Industry Associations and Others
Key Concerns of Related Parties	• Good Salary and Benefits • Comprehensive Training System • Open and Transparent Development Channels • Workplace Health and Safety	• Product Quality and Delivery Capability • Information Security and Privacy Protection • Green and Low Carbon Products	• Technical Strength and Stability of Cooperation • Fair, Just, Open, Transparent and Integrity Based Procurement Environment • Technology Empowerment and Industry Development • Market and Sales Support	• Contribution to Sustainable Community Development • Sharing the Achievements of Corporate Development • Reduction of Environmental Impact
Communication and Participation Methods	• Labor Union • Email • Enterprise Collaborative Office Platform	• Pre-Sales Communication • After Sales Services • Routine Communication (Such as Customer Visits) • Third-party Training • Customer Audits	• Supplier Training • On-Site Audits and Communication • Project Cooperation • Regular Visits	• Face to Face Communication • Public Welfare Activities • Complaint Hotline • Media Communication Meetings • Regular Communication and Feedback • Project Cooperation • Official Website, Official Accounts and Other Public Channels

Identification of Material Topics

The Company takes the topics covered in the Exchange's Guidelines as the benchmark, conducts an in-depth analysis of its own business structure and operating model, and carries out survey analysis of stakeholders through questionnaires, systematically identifying material topics that are closely internally linked to the Company's business activities and occupy a prominent position in the stakeholder concern matrix.

Aspect	Definition	Materiality Analysis Dimensions
Impact Materiality	Whether the Company's performance on the relevant topic will have actual or potential significant impacts on the economy, society, and the environment.	• Likelihood of impact occurrence • Scale, scope, and irremediability of the impact
Financial Materiality	Whether the topic is expected to have significant impacts in the short, medium, and long term on the Company's business model, business operations, development strategy, financial position, operating results, cash flow, financing methods, and costs.	• Likelihood of impact occurrence • Degree of financial impact

JingQuanHua Technology Double Materiality Analysis Process

Step One: Background Identification and Understanding

- Fully understand the Company's sustainable development background by analyzing macro policies and regulatory requirements;
- Identify key stakeholders affected.

Step Two: Establishment of Topic List

- Conduct preliminary identification, screening, and definition of relevant sustainable development topics by combining standard benchmarking, peer benchmarking, and policy analysis;
- Analyze the actual and potential impacts, risks, and opportunities involved in material topics.

Step Three: Topic Materiality Assessmentand Confirmation

Through questionnaire surveys and interviews, communication is carried out with the Company's senior management and finance related personnel, and reference is made to internal and external expert opinions to determine double materiality topics.

Step Four: Topic Reporting

Based on the comprehensive analysis results of topic materiality questionnaires and expert scoring opinions, a double materiality topic matrix is formed; upon review and confirmation by the Company's management, the double materiality topics for 2025 will serve as key disclosure items in this report.

Topic List

In the process of identifying material topics for 2025, JingQuanHua Technology fully considered the following five major factors, combined with the Company's actual operations, identified and screened 23 topics, and analyzed the impacts, risks, and opportunities of each topic.

Sort out ESG topics that are highly related to the Company's core competitiveness and future development direction.

Through benchmarking against peer companies in the industry in terms of ESG topic disclosures, ensure that topic setting has industry comparability and forward-looking relevance.

Combine relevant national and local laws, regulations, and policy documents to extract ESG topics that have binding or guiding effects on each business segment, ensuring that topic setting aligns with policy orientation.

Refer to mainstream ESG rating and disclosure standards such as MSCI, SASB, and the Shenzhen Stock Exchange to ensure that topic selection has an international perspective and industry applicability.

By identifying major stakeholder groups and combining their key concerns and communication methods, clarify ESG topics that require focused response, enhancing the responsiveness and relevance of topics.

2025 ESG Topic Library of JingQuanHua Technology

Environment (8)	Climate change response, pollutant emissions and waste treatment, biodiversity protection, environmental compliance management, energy utilization, water resource utilization, circular economy, green products
Social (8)	Research and development innovation, product and service safety and quality, supply chain security, equal treatment of small and medium sized enterprises, employees (employee rights protection, employee training and development, occupational health and safety), rural revitalization, social contribution, product accessibility
Corporate Governance (7)	Due diligence, stakeholder communication, anti-commercial bribery and anti-corruption, anti-unfair competition, compliant operations and risk management, digital and smart empowerment, information security protection

Impact Materiality Assessment

According to the Guidelines, the Company assesses the impact materiality of sustainable development related topics from two aspects, namely the likelihood and severity of impacts. Among them, the likelihood of impacts is evaluated from three dimensions, namely the scale, scope, and irremediability of impacts.

Table Note: Topics with Impact Materiality

1 Climate Change Response	1 Research and Development Innovation	1 Digital and Smart Empowerment
2 Energy Utilization	2 Product and Service Safety and Quality	2 Anti Commercial Bribery and Anti-Corruption
3 Green Products	3 Supply Chain Security	3 Compliant Operations and Risk Management
4 Environmental Compliance Management	4 Employees	4 Stakeholder Communication
5 Pollutant Emissions and Waste Treatment	5 Product Accessibility	5 Due Diligence
6 Water Resource Utilization	6 Equal Treatment of Small and Medium Sized Enterprises	6 Anti Unfair Competition
7 Biodiversity Protection	7 Rural Revitalization	7 Information Security Protection
8 Circular Economy	8 Social Contribution	

Financial Materiality Assessment

The Company assesses the financial materiality of sustainable development related topics across three-time horizons, namely short term (within 1 year to 2 years [inclusive]), medium term (3 years to 5 years [inclusive]), and long term (more than 5 years), from two aspects, namely the likelihood of impact occurrence and the degree of financial impact.

In the specific analysis process, the Company, in combination with historical profit before tax, sets the determination thresholds for the degree of financial impact, analyzes the likelihood of occurrence of risks and opportunities related to each topic in the short, medium, and long term, as well as the degree of impact on financial expectations, and, with reference to expert opinions, ranks the financial materiality of 23 topics, and derives the list of financially material topics based on the established financial materiality thresholds.

Table Note: Topics with Financial Materiality

1 Climate Change Response	1 Research and Development Innovation	1 Information Security Protection
2 Energy Utilization	2 Product and Service Safety and Quality	
	3 Supply Chain Security	

Results of Topic Materiality Assessment

The Company comprehensively consolidates the impacts, risks, and opportunities of material topics, and discloses relevant management actions and effectiveness in the report. For topics with financial materiality, the Company carries out focused disclosure in accordance with the four-element framework of "Governance", "Strategy", "Impact, Risk and Opportunity Management", and "Indicators and Targets".

PART 01

Integrity Based Operations Consolidating the Foundation of Development

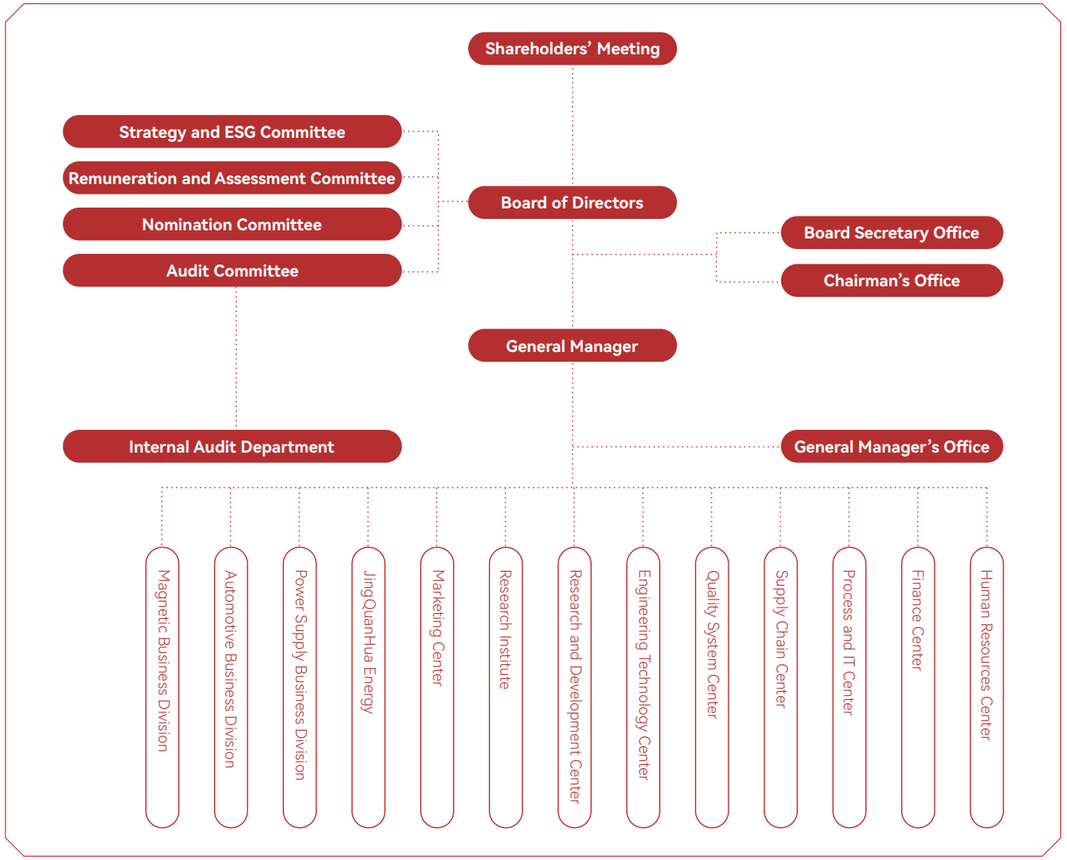
Key ESG Topics in This Chapter

Response to SDGs Goals

Normative Governance

Governance Structure

JingQuanHua Technology complies with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Code of Corporate Governance for Listed Companies, and has established a governance structure with clear allocation of powers and responsibilities and mutual checks and balances, consisting of the Shareholders' Meeting, the Board of Directors (with various committees under it), and the management. A fair and scientific decision-making mechanism has been established, and regular effectiveness evaluations of the Board of Directors or its committees are conducted through self-evaluation and external evaluation, ensuring the effectiveness of governance decisions.



Shareholders' Meeting

The Company strictly complies with relevant regulations in convening and holding shareholders' meetings, treats all shareholders equally, provides convenient conditions for shareholders to participate in shareholders' meetings, and ensures that shareholders' rights are fully exercised.

With respect to the protection of the rights and interests of minority shareholders, the Board of Directors fully listens to the opinions and suggestions put forward by independent directors representing minority shareholders during the decision-making process, and there are no decision-making behaviors that harm the interests of minority shareholders.

In 2025

the Company convened a total of **5** shareholders' meetings.

Board of Directors

The Board of Directors consists of 9 directors, including 4 independent directors and 1 female director. The Board of Directors has established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and ESG Committee. Each committee performs its respective duties and fully plays its role in decision making and supervision. Among them, the convener of the Audit Committee is a professional with accounting expertise.

Members of the Board of Directors possess profound industry expertise and management experience, and their diversity characteristics include but are not limited to gender, ethnicity, nationality, cultural and educational background, professional experience, skills, and age.

The proportion of independent directors in the Audit Committee is 60%, in the Remuneration Committee is 80%, and in the Nomination Committee is 66.66%.

In 2025

the Company convened a total of **7** Board of Directors meetings

6 Audit Committee meetings

3 Nomination Committee meetings

3 Remuneration Committee meetings

Senior Management Remuneration

The remuneration of senior management of the Company is proposed by the Remuneration and Appraisal Committee of the Board of Directors and submitted to the Board of Directors for review and approval. The remuneration plan of senior management is publicly disclosed on statutory information disclosure media. For details of the remuneration plan, please refer to the Announcement on the Remuneration Plan of the Fifth Session of Senior Management.

Protection of Investors' Rights and Interests

The Company strictly complies with the requirements of the Securities Law of the People's Republic of China, Administrative Measures for Information Disclosure of Listed Companies, and other laws, administrative regulations, departmental rules, as well as normative documents such as the Shenzhen Stock Exchange Listing Rules, formulates systems including the Investor Relations Management System, and discloses relevant information in a truthful, accurate, timely, complete, and fair manner. At the same time, the Company communicates and interacts with investors through multiple channels and methods such as investor hotline telephone and the Interactive Easy platform.

The Company has formulated and disclosed the Shareholder Return Plan for the Next Three Years (2025 to 2027), which clarifies a profit distribution policy primarily based on cash dividends. On the premise of profitability in the current year and no significant investment plans, the Company distributes no less than 10% of the distributable profit achieved in the current year in cash each year, and the cumulative cash dividends for any consecutive three years shall not be less than 30% of the average annual distributable profit for those three years. At the same time, the Company comprehensively considers its development stage and capital expenditure arrangements, implements differentiated cash dividend ratios, and ensures the continuity and stability of the profit distribution policy, aiming to balance shareholder returns and the Company's long-term development, and effectively protect the legitimate rights and interests of investors.

Compliance and Risk Management

Compliance Operations

The Company adheres to the principle of "law abiding operations, prudent operations, and integrity-based operations", formulates the Internal Control Management System in accordance with relevant laws and regulations, and continuously improves the compliance management system. At the same time, the Company enhances employees' compliance awareness through activities such as legal and regulatory training and conducts regular internal and external audit work. In 2025, the Company entrusted a third-party to conduct internal control audits on 18 segments. Combined with the issues identified through internal audits organized by the Internal Audit Department, the Company actively carried out follow up rectification to ensure that all business activities comply with laws, regulations, and internal norms.

Risk Management

The Company has established a risk governance structure of "three lines of defense", formulated the Management Procedure for Risks and Opportunities and Control Measures, and regularly or irregularly collects information from internal and external sources to identify risks. Through multi-dimensional analysis and judgment, it determines whether the risks are within an acceptable range and implements comprehensive hierarchical closed loop management for assessed significant risks.

First Line of Defense Various Departments

Responsible for the identification, analysis, and evaluation of risks and opportunities within their respective departments or sections, formulating corresponding measures to avoid or reduce risks and ensuring implementation.

Second Line of Defense System Management Department

Establish the management procedure for risks and opportunities and control measures.

Third Line of Defense Strategy Committee

Organize the identification of the external and internal environment and stakeholder requirements, provide the resources required for risk management, determine risk acceptance criteria, and conduct overall management of the effectiveness of risk and opportunity management according to the planned review cycle, including identification, analysis, evaluation, tracking, reporting, and updating.

Tax Compliance

The Company implements its tax policies in accordance with national laws and regulations, policies, and relevant provisions of the place of operation, follows the principle of lawful tax payment, and declares and pays taxes based on actual conditions. The Company adopts refined management measures to complete various tax declarations and tax payments in a timely and accurate manner, ensuring the completeness and timeliness of tax payments, and effectively preventing any forms of tax evasion, tax avoidance, or tax omission and other tax related illegal acts.

Business Ethics

The Board of Directors, as the highest guiding body for business ethics standards, formulates and implements the RBA Management Manual and the Code of Ethical Conduct Manual, ensuring that all business activities comply with internationally recognized highest standards. The Company adheres to integrity-based operations and strictly prohibits acts such as corruption, bribery, extortion, and misappropriation of public funds. At the same time, the Company places emphasis on actively or passively monitoring the business ethics conduct of its business partners through various means.

Anti-Commercial Bribery and Anti-Corruption

The Company has established an Integrity Committee, with the Chairman serving as the director of the committee, and other members including the Vice Chairman, the General Manager, and others. The Company has formulated systems such as the Management Measures for Integrity Building , the Anti-Fraud Management System, and the Integrity and Anti-Fraud Audit System, and has signed integrity agreements with all senior management personnel. The Company holds integrity conferences in a timely manner, conducts oath taking ceremonies for integrity commitments, and organizes assessments of integrity knowledge. For new employees at Level 3 and above, the Company informs them of relevant integrity management regulations and codes of conduct and requires them to sign the Employee Integrity Commitment Letter. The Company signs the Integrity Commitment Letter with partner suppliers, advocates integrity-based cooperation, stipulates liabilities for breach of contract, and encourages partner suppliers to report violations of integrity.

At the same time, the Company has formulated the Whistleblower Protection System, established reporting channels such as email, telephone, and the Chairman or General Manager mailbox, and strictly prohibits the disclosure of the whistleblower's name, information, and reporting content to the reported individual or department. In the event of retaliation, corresponding responsibilities will be pursued.

Complaint and Reporting Email

jubao@everrise.net
the Company has dedicated personnel responsible for receiving emails.

Chairman's Online Mailbox

Reporting can be conducted by scanning the QR code to enter the page

Key Performance

During the reporting period

The Company's signing rate of integrity agreements with suppliers was 100%

Case: Adhering to Integrity Bottom Line and Practicing Closed Loop Communication

In 2025, the Company solemnly convened the Integrity Commitment and Closed Loop Communication Management Conference and Oath Taking Ceremony. This conference adopted a combination of online and offline formats and was held simultaneously in Shenzhen, Heyuan, Jiangsu and other locations. Through key promotion of the Employee Code of Business Conduct, on-site issuance of appointment letters to two newly added members of the Integrity Committee, collective oath taking by participants, and organization of online quiz activities, the Company conducted focused training for management and personnel of core departments and ensured full coverage of all employees through departmental cascade training, so that the spirit and requirements of the conference were fully implemented.

Anti-Monopoly and Fair Competition

The Company strictly complies with relevant laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China, adheres to the principle of fair competition, commits not to participate in any activities that may harm fair market competition, and prohibits any form of unfair competition. The Company has formulated the Anti-Monopoly and Anti Unfair Competition Management System, stipulating that at least one training session on anti-monopoly and anti-unfair competition management shall be organized for all employees each year, and that anti-monopoly and anti-unfair competition agreements shall be formulated and signed. The Internal Audit Department is responsible for auditing whether there are any acts involving anti-monopoly and anti-unfair competition.

Information Security Protection

Governance

The Company continuously improves a three level information security management structure of "General Manager's Office-Process and IT Center-All Employees", and has formulated management systems such as the Information Security Control System, the Data Security Management Provisions, and the Network Access Strategy and Permission Management Provisions, systematizing data security standards and operational specifications, ensuring the security and accuracy of data, and continuously improving the information security management system.

In addition, the Company continuously establishes and improves the information security emergency response mechanism and normalized training system, formulates the Emergency Plan for Computer Network and Server Failures, and establishes a fault classification management mechanism. In the Training Management System, it is clearly required that all internal training plans of each department must include information security courses. Through hierarchical and normalized training, the information security awareness and protection capabilities of all employees are enhanced.

Strategy

The Company's information security assurance work, through the coordinated effect of technical protection, process standardization, and institutional constraints, establishes an information security protection system covering data, systems, accounts, and physical carriers, continuously strengthens the management of key aspects such as data backup, operating system security, and account management, and ensures the security of core corporate assets and business continuity.

Impact, Risk and Opportunity Management

The Company has formulated the Control Procedure for Information Security Factor Identification and Risk Assessment, establishing the basic steps for identifying information security factors, conducting risk assessment, and implementing control measures. Based on asset identification, threat identification, and vulnerability identification, information factor identification is carried out, scientific risk assessment methods are established, and reasonable control measures are determined according to the results of risk assessment, thereby improving information security risk management.

Indicators and Targets

Indicator	Specific Target	2025 Performance
Information leakage incidents	0	Achieved

Aspect	Measures	Content
Technical Protection	Encryption Technology	1. HTTPS protocol is enabled at the transmission layer of production and office systems; 2.Core keys of servers are rotated quarterly, and ordinary keys of application systems are rotated semiannually.
	Access Control	1. A permission system is established based on manufacturing positions, and minimum operational permissions are assigned; 2.Remote office adopts zero trust VPN, and physical access control is implemented in the central control room and computer room; 3.Account lock and dormancy rules are set, permissions are reviewed monthly, core data access permissions are audited quarterly, and production and office networks are physically isolated.
	Data Loss Prevention	1. The IP guard system is deployed to monitor data anomalies, external transmission interfaces are disabled for workshop industrial terminals, and only authorized devices are allowed to enable USB channels.
	File Encryption	1.According to the risk level of files, business departments manually encrypt files before external transmission; 2.Internal shared documents are accessed and opened within authorized accounts.
Management Norms	Data Collection	1.Follow the principle of minimum necessity, collect only data required for production, supply chain, and customer service, and collect employee employment related data in compliance; 2. Clearly inform and obtain authorization before collecting external data.
	Data Use	1.Use data within the authorized scope, and core process and production line parameters are only used for internal production and operation; 2. Perform desensitization processing when processing and analyzing data and prohibit providing data to unauthorized parties.
	Data Destruction	1. Formulate production data destruction standards and approval processes according to three levels, namely top secret, confidential, and general; 2. Electronic storage media are processed through software overwriting and physical destruction, and confidential paper documents are highly securely shredded and centrally recycled; 3. Verify the list before destruction and recover and destroy relevant data carriers upon termination of cooperation or employee resignation.
Personnel Management	Onboarding Training	1.Conduct specialized training on data security in the manufacturing industry, focusing on confidentiality requirements and institutional specifications of production data; 2.Organize production system and practical operation training; 3. Sign the Confidentiality (Information Security) Agreement, clarifying confidentiality responsibilities and liabilities for breach.
	On the Job Training	1.Organize at least two company wide information security training sessions each year, and carry out warning education based on cases; 2.Organize one data security emergency drill each year; 3. Employees in key positions participate in external professional data security training.
	Exit Audit	1.IT conducts audits before resignation, verifying system permissions, and business departments are responsible for file possession and core data access records; 2.All access credentials are recovered on the day of resignation, authentication information is canceled, and access permissions to production systems are terminated; 3.Audit operation records within 3 months prior to resignation to identify abnormal data operation behaviors; 4. Resigning employees sign a labor relationship termination agreement.

PART 02

"Dual Carbon" Leadership Practicing Green Manufacturing

Key ESG Topics in This Chapter

Response to SDGs Goals

Response to Climate Change

Governance

JingQuanHua Technology has established a three-level climate change management system composed of strategic decision making by the Board of Directors, supervision and coordination by the ESG Work Leadership Group, and implementation by four specialized groups (Corporate Governance Group, Safety and Environmental Protection Group, Social Responsibility Group, and Industrial Value Group). At the same time, the Company has formulated the Management Measures for Addressing Climate Change and the Climate Change Response Management Measures of Shenzhen JingQuanHua Electronics Co., Ltd., clearly defining the responsibilities of relevant departments in identifying and supervising emerging risks such as ESG trends and climate change, as well as tracking climate change indicators and targets, and incorporating them into KPI assessment indicators to promote the in-depth and effective implementation of climate governance.

Strategy

The Company adopts scientific and systematic methods to establish climate change management strategies. Through scenario analysis, it identifies and evaluates climate related risks and opportunities. With reference to relevant literature on climate, macro environment, and industrial policies, and in combination with JingQuanHua's own business conditions, the Company identifies and evaluates the potential impacts of climate change on its business over different time horizons, namely short term (within the next 3 years), medium term (3 to 5 years), and long term (more than 5 years), and formulates targeted management strategies and implementation plans.

Furthermore, adhering to the principles of high comparability, balance, and scientific basis, the Company constructs scenarios using publicly available data sources. Specifically, it selects SSP1-2.6 and SSP5-8.5 from the Shared Socioeconomic Pathways (SSPs) proposed by the Intergovernmental Panel on Climate Change (IPCC) as physical scenarios to analyze climate physical risks and adopts the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 Scenario (NZE) proposed by the International Energy Agency (IEA) as transition scenarios to analyze climate transition risks. The Company also analyzes potential climate opportunities based on the two scenarios proposed by the IPCC and the IEA. This scenario analysis covers Jingquanhua and all its subsidiaries and branches, with the scope limited to the Company's own production and operations. (For further details, please refer to the Jingquanhua 2024 Annual Sustainability and ESG Report. The analysis results are consistent over the medium to long term.).

Category	Specific Category	Impact Factors	Corresponding Traditional Risks	Impacted Value Chain Links	Impacted Financial Indicators	Description	Impact Duration	Response Measures	
								Existing Measures	Optimization Plan
Climate Physical Risks	Acute Risks	Typhoon	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue Operating Expenses Production Costs Tangible Assets	• May cause damage to buildings such as factories and production equipment, hindering production • Accompanying lightning may cause distribution system failures in the factory, even leading to accidents such as electrical fires and explosions • Strong winds may restrict transportation or damage transportation infrastructure, affecting the transportation of upstream and downstream products • Increased safety risks for employees, contractors, and suppliers	Short-term	Flood control sandbags	Anchorages and flood barriers
		Extreme Precipitation	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue Tangible Assets	• Short-term heavy rainfall may lead to localized flooding or leakage in the factory, workshops, etc., rendering equipment unusable and halting certain processes • Heavy rainfall may increase the water discharge pressure on the factory's drainage facilities, potentially causing flooding of the factory floor and even loss and damage to the factory equipment	Short-term	Flood control sandbags	Anchorages and flood barriers
		Flood	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Tangible Assets	May cause damage or submersion of factory, equipment, inventory, and other assets	Short-term	Flood control sandbags	Anchorages and flood barriers
		Extreme Temperatures	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue Operating Expenses Production Costs	• Sudden extreme heat weather may pose health and safety risks to outdoor workers; • Power restrictions due to high temperatures may limit production capacity and lead to adjustments to project schedules and occasional work stoppages • Rising temperatures may lead to increased energy consumption and maintenance frequency for ventilation, refrigeration, cooling, air conditioning in operations and factories	Short-term	Air conditioning constant temperature control	Reasonably arrange work and rest time; Develop time-segmented production plans to avoid peak electricity usage.
	Chronic Risks	Long-term Water Pressure	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue	Factories or projects with high water usage may face water restrictions, reducing production capacity	Long-term	Install pressure-reducing valves	Use water resources reasonably
		Sea Level Rise	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue Operating Expenses Production Costs	Most of the Company's factories are located in coastal areas, and rising sea levels may cause instability in production bases, increased air humidity, and other issues, which may affect the Company's normal operations.	Long-term	Reduce greenhouse gas emissions	Build protective engineering works

Category	Specific Category	Impact Factors	Corresponding Traditional Risks	Impacted Value Chain Links	Impacted Financial Indicators	Description	Impact Duration	Response Measures	
								Existing Measures	Optimization Plan
Climate Transition Risks	Policy & Regulatory Risk	Tightening of GHG Emission Management	Compliance Impact Reputation Impact	Operations Marketing & Sales	Revenue Operating Expenses	● National climate policies are becoming stricter, which may lead to increased carbon management costs; ● The CBAM will impose carbon tariffs on goods imported to the EU, and the Company's related products may face the risk of increased costs for exports	Mid-term	Regular monitoring of changes in greenhouse gas emission policies	Process improvements Equipment adjustments Purchase of climate change insurance
		Rising Obligations fo GHG Emission Disclosures	Property Loss Operational Impact	Operations Marketing & Sales	Revenue Operating Expenses	The EU's CSRD has been officially implemented, requiring sustainability information disclosure and reporting verification for businesses operating in the EU.	Mid-term	● Conduct carbon audit ● Strictly comply with regulatory requirements for sustainability information disclosure and conduct verification to ensure disclosure quality.	Disclose the Company's carbon management report
	Technological Innovation Risks	Improper Technology Selection or Upgrading	Reputation Impact Property Loss Operational Impact	Operations Marketing & Sales Service	Production Costs Revenue Operating Expenses	● Rapid iterations in new energy technology may lead to the Company's existing technology roadmap being eliminated by the market; ● If trends are not accurately predicted during technology selection, invested R&D and equipment may face sunk costs. ● The mismatch between R&D costs of low-carbon technological innovation and its benefits may impact the Company's costs and revenue.	Mid-term	● Conduct market demand research and analysis based on market demand ● Strengthen communication with customers to clarify customer needs and preferences	Develop a specification document Conduct a technology audit Establish feedback mechanisms
		Technological Reliability Risks	Reputation Impact Property Loss Operational Impact	Operations Marketing & Sales Service	Production Costs Tangible Assets Liabilities Revenue Operating Expenses	● In the application of new technologies, there may be issues such as unstable performance, failure to meet efficiency standards, and compatibility problems with existing equipment systems ● During technological transformation, the lack of professional maintenance support may lead to frequent failures, affecting production continuity and market competitiveness.	Mid-term	Conduct regular technology risk assessments	Establish a technology backup mechanism
		Industry Development Trends	Property Loss Operational Impact	Operations Marketing & Sales Service	Revenue Operating Expenses	External low-carbon technological innovations may reduce the competitiveness of the Company's products	Long- term	Regularly conduct strategic assessments and adjustments, strengthen market insights, and promptly adjust business development strategies	Establish an industry intelligence system Hire professional consultants
	Market Risk	Raw Material Cost Fluctuations	Property Loss Operational Impact	Inbound Logistics Operations Marketing & Sales Service	Production Costs	The cost of high energy-consuming raw materials such as steel is rising, and related high energy-consuming enterprises are facing the risk of increased electricity prices, which may be passed on to the Company's costs.	Short- term	● Diversify procurement channels and establish long-term cooperation with major suppliers ● Improve the working model and approach in each link of the procurement process, and adjust procurement plans in a timely manner	Establish a raw material replacement plan Purchase insurances Engage in options/futures contract trading Use supply chain financial instruments Develop a green procurement strategy
	Reputational Risk	Public Opinion Monitoring	Operational Impact Reputation Impact	Marketing & Sales Service	Revenue Intangible Assets	Against the backdrop of addressing climate change, the public's increasing focus on the Company's environmental protection initiatives may lead to damage to the Company's brand image, thereby affecting product sales and market expansion.	Short- term	Publish sustainability (ESG) reports	Participate in climate change initiatives Invest in climate adaptation technology R&D Develop eco-friendly products Adjust marketing strategies
		Changes in Stakeholder Concerns	Operational Impact Reputation Impact	Marketing & Sales Service	Revenue	Stakeholders such as shareholders, customers, and suppliers are experiencing significant shifts in their focus under the broader trend of climate change, which may lead to risks for the company, such as investment decision errors and customer loss, due to a delayed response.	Long- term		

Category / Specific Category	Impact Factors	Corresponding Traditional Risks	Impacted Value Chain Links	Impacted Financial Indicators	Description	Impact Duration	Response Measurest	
							Existing Measures	Optimization Plan
Opportunities	Policy Support	/	Operations	Revenue Production Costs	Policy support can effectively reduce the Company's carbon reduction and transformation costs, thus improving the Company's cash flow.	Short- term	Pay attention to relevant tax incentives, subsidies, and reward policies	Participate in the carbon trading market Increase investment in relevant R&D
	Market Opportunities	/	Marketing & Sales Service	Revenue	Launching low-carbon products to meet market demand can boost sales and profits. Good service can increase customer loyalty and optimize the debt structure.	Mid-term	Participate in the new energy industry chai	Participate in climate change initiatives Invest in climate adaptation technology R&D Develop eco-friendly products Adjust marketing strategies
	Green Financing Opportunities	/	Operations	Financing	With the expansion of green financing channels, the Company may benefit from lower financing costs, providing financial support for its low-carbon transformation.	Short- termt	Pay attention to government and investment institutions' green finance plans	Disclose the Company's special carbon management report

Impact, Risk and Opportunity Managementz

JingQuanHua deeply recognizes the importance of both climate risk prevention and control and the identification of related business opportunities in creating sustainable value and achieving long-term corporate stability. Therefore, the Company has established and continuously improved its risk management framework and risk control system, proactively integrating climate-related factors into its risk control management system to build a resilient and responsible core for the enterprise.

Risk Identification

Based on stock exchange requirements, reference to peer practices, industry characteristics, stakeholder opinions, and relevant expert opinions, the Company regularly updates the list of climate change related risks and opportunities that it may face and conducts discussions and reviews.

Risk Assessment

In order to effectively allocate resources to manage the most significant risks and opportunities, the Company evaluates the list of risks and opportunities, analyzes factors such as the likelihood, impact, adaptability, and resilience of risks and opportunities under different scenarios, ranks them in order of priority, and then determines how to monitor and manage such risks and opportunities.

Priority Ranking

Based on the collected scoring results, the Company calculates the scores of risks and opportunities, thereby determining their priority levels. The Company first calculates the score of a specific risk point within a single subsidiary, and then consolidates the results. According to the Company's major business categories, it outputs physical risk and transition risk matrices respectively. For business opportunities, the same method is adopted, and an opportunity matrix is drawn based on the results.

Risk Response

Based on the results of risk identification and assessment, the Company analyzes the causes of risks, formulates or adjusts risk management strategies in a targeted manner, strives to prevent, avoid, or reduce risks at the source, and regularly reviews changes in the nature and severity of risks to ensure effective risk control.

Measures	Content
Energy Saving Optimization o Production Processes and Equipment	• The project for reducing electricity consumption per CNY 10,000 of output value achieves annual electricity savings of 149,066.67 kWh through optimization of power supply, tin furnaces, and other equipment, corresponding to a reduction of 87.29 tons of carbon emissions; • The energy saving and consumption reduction project for wave soldering equipment achieves annual electricity savings of 20,940 kWh through technologies such as standby control, corresponding to a reduction of 12.26 tons of carbon emissions; • The central air conditioning cloud control system of the automotive business division in Building 3 of the Longgang plant achieves annual electricity savings of 350,000 kWh, corresponding to a reduction of 204.96 tons of carbon emissions; • Energy saving renovation of facilities and equipment in public areas achieves annual electricity savings of 303,811 kWh, corresponding to a reduction of 177.91 tons of carbon emissions; • The equipment transformation of foil winding, curing, and vacuum pressure impregnation on the first floor of Building 4 in Longgang achieves annual electricity savings of 270,210 kWh, corresponding to a reduction of 158.23 tons of carbon emissions; • Optimization of integrated assembly fixtures achieves annual electricity savings of 97,920 kWh, corresponding to a reduction of 57.34 tons of carbon emissions; • Optimization of laminating machine operations to laminating tooling operations achieves annual electricity savings of 18,532.8 kWh, corresponding to a reduction of 10.85 tons of carbon emissions; • Optimization of snap fitting glue dispensing and baking operations eliminates the glue dispensing process, achieving annual electricity savings of 54,912 kWh, corresponding to a reduction of 32.16 tons of carbon emissions.
Energy Storage	• The Heyuan JingQuanHua Park, through the construction of a 2580 kWh energy storage power station project, achieves annual electricity savings of 1,250,000 kWh, corresponding to a reduction of 1,186.13 tons of carbon emissions; • The Longgang park, through the construction of a 3225 kWh energy storage power station project, achieves annual electricity savings of 1,400,000 kWh, corresponding to a reduction of 1,328.46 tons of carbon emissions.
Energy Substitution	• In 2025, the total photovoltaic power generation of the Longgang park reached 791,939 kWh, equivalent to a reduction of 376.17 tons of carbon dioxide emissions.

Indicators and Targets

Greenhouse Gas Emission Reduction Plan

Time	Specific Target
2025	Global manufacturing plants carbon inventory (domestic covering Scope 1 and Scope 2; overseas covering Scope 1, self-verification)
2030	Completion of emission reduction tasks of 3000 tCO_2e (Scope 2, calculated based on current regional emission factors)
2058	Achieve operational carbon neutrality by 2058 (covering Scope 1 and Scope 2, including carbon offsetting)

Based on its actual operating conditions, the Company scientifically sets carbon reduction targets and tracks progress toward these targets through means such as engaging qualified external third-party verification or conducting internal inventories, as appropriate. As of the end of the reporting period, the Company had achieved its specific targets for 2025.

Key Indicators			2025 Performance
Greenhouse Gas Emissions	Scope 1	tCO_2e	745.229
	Scope 2	tCO_2e	17,874.514
	Total	tCO_2e	18,619.743
Greenhouse Gas Emission Intensity	Scope 1	tCO_2e	0.0022
	Scope 2	tCO_2e	0.0524
	Total	tCO_2e	0.0546

Note: for the above Scope 1 and Scope 2 data, domestic factories are verified by qualified institutions, while overseas factories are self-inventoried. In 2025, the emission factor values were adjusted from "province" to "country".

Case: The Power Adapter (Model: Nsa45eu M2022500) Product Successfully Obtained Product Carbon Footprint Certification

Under the guidance of the national "dual carbon" strategy, JingQuanHua actively explores sustainable development pathways, and good news has recently been received that the Company's power adapter (model: NSA45EU M2022500) product has successfully obtained product carbon footprint certification, marking a solid step forward in the Company's journey toward practicing green and low carbon development.

The successful completion of this product carbon footprint certification not only reflects the Company's response to the national "carbon peaking" and "carbon neutrality" dual carbon strategy, but also provides an important basis for the Company to explore its own potential for energy conservation and emission reduction. The Company plans to take this as an opportunity to optimize production processes, reduce greenhouse gas emissions, and practice sustainable development.

Environmental Compliance Management

The Company strictly complies with the Environmental Protection Law of the People's Republic of China and other laws and regulations, has established an Environmental Management Committee, appointed senior management as the primary person responsible for environmental compliance management, and set up dedicated management departments. The Company has formulated the Quality, Environment, Safety and Hazardous Substances Management Manual and the Environmental Sanitation Management System, continuously improving the level of environmental compliance management in a comprehensive and multi-dimensional manner from source control, process supervision to end of pipe treatment. To enhance the ability to respond to environmental emergencies, the Company has prepared the "Emergency Response Plan for Environmental Incidents" and regularly conducts emergency drills for environmental incidents to minimize losses caused by environmental pollution accidents. As of the end of the reporting period, Shenzhen JingQuanHua Electronics Co., Ltd., Heyuan JingQuanHua, Smart Electrical, Guangdong JingQuanHua Energy, the Philippines factory, and the India factory have obtained ISO 14001 Environmental Management System certification.


NEWLY EVER RISE ELECTRONICS - PHILIPPINE BRANCH

Environment Health & Safety (EHS) Policy

Newly Ever Rise Electronics – Philippine Branch is committed to provide dynamic leadership that is responsive in the protection of the environment, safety and health of its people including its customers, subcontractors and the public by strictly complying with applicable regulatory standards set by the law in the prevention of pollution to the environment, injury and ill health to its employees and subcontractors.

We aim to also proactively eliminate or minimize the impact of our operation on the environment, safety and health even when regulatory requirements do not apply.

Mr. Ju Wan Jin
President

Figure Note: EHS Policy Commitment

At the same time, the Company attaches importance to cultivating knowledge and awareness related to environmental compliance, has formulated the Competence, Training and Awareness Control Procedure, and incorporates environmental training and education plans into employee training and education programs. The Company strengthens publicity and education and carries out energy saving activities, vigorously promotes paperless office practices in daily operations, reduces unnecessary use of paper documents and forms, and optimizes and upgrades the OA office automation platform to ensure the normal operation of office work. At present, employees can conveniently perform daily office tasks such as schedule management through the OA system, and can also access the HRM system, SRM system, tooling system, email, and the Company official website through this system, obtaining more technical support for paperless office operations.

Case: Environmental Compliance Culture Training

JingQuanHua Technology regards environmental compliance as an important cornerstone of corporate development. To actively respond to national environmental protection policies, the Company conducts environmental compliance culture training to help employees accurately understand regulatory requirements, enhance awareness of energy conservation, and integrate compliance concepts into daily work details. The Company organizes special training on energy conservation, consumption reduction, and environmental protection, covering regulatory interpretation, the Company's environmental protection status, and energy saving and emission reduction measures. A total of 89 courses were conducted throughout the year, with a total of 4,956 training hours, effectively enhancing employees environmental awareness and self-protection capabilities.

Figure Note: On-site photo of the Company's environmental basic knowledge training

The Company EHS Committee is responsible for supervising, testing, and implementing the discharge and disposal of solid waste and wastewater, formulates the Management System for Material Scrapping, Operating Procedures for Wastewater Treatment Equipment and the Safe Operating Procedures for Exhaust Gas Treatment Facilities, and regularly conducts enterprise self-inspection and self-correction. The Company entrusts qualified third-party institutions to conduct comprehensive testing of exhaust gas, noise, domestic sewage, and oil fume exhaust gas, ensuring that all emission indicators comply with environmental protection standards and practicing the concept of green development through concrete actions.

Wastewater Management

Generation Sources:

Mainly generated from production processes (such as fixture cleaning, paint removal water, ultrasonic cleaning, circulating water of spray towers in exhaust gas treatment equipment), wastewater treatment facilities within the plant, and domestic wastewater discharge from employees.

Monitoring Indicators:

Including pH value, suspended solids (SS) concentration, chemical oxygen demand (COD), five-day biochemical oxygen demand (BOD), ammonia nitrogen concentration, cationic surfactants, and others.

Management Targets:

Domestic wastewater discharge meets the Class III standard of DB4/426 2001; industrial wastewater from ultrasonic cleaning machines and spray towers of exhaust gas treatment equipment is recycled after compliant treatment; other industrial wastewater is transferred as hazardous waste to qualified disposal companies for treatment.

Management Requirements

- Source Control: Optimize production processes and water use procedures to reduce production wastewater or recycle wastewater after treatment; install sensor-based faucets in office areas and canteens to strengthen water conservation.
- Water Quality Control: Industrial wastewater is uniformly collected and treated, monitored through pH instruments, and subjected to timely dosing, reaction, sedimentation and other process measures to ensure that water quality meets the requirements for recycled water use, thereby enabling recycling.
- Ledger Management: Daily inspections of wastewater treatment facilities are conducted, including checks on pH monitoring instruments, dosing pumps, and reaction tanks to ensure normal operation; for the portion treated as hazardous waste, records of storage and transfer are established, transfer manifests are retained, and hazardous waste generation information is simultaneously updated in the environmental protection system to ensure clear flow direction, full process control, and prevention of leakage and illegal discharge.

Treatment Methods

The "Pretreatment + Third-Party Entrusted Disposal" model is adopted.

- Domestic wastewater of the Company is connected to the municipal pipeline network and is uniformly treated by municipal authorities.
- Industrial wastewater has two treatment forms. One is that wastewater generated from ultrasonic cleaning and spray towers of exhaust gas treatment equipment is recycled through wastewater treatment facilities after meeting treatment standards; the other is that wastewater generated from paint removal using dissolving instruments is treated as hazardous waste and entrusted to qualified third parties for disposal.
- Zero direct discharge of wastewater is achieved. Inbound and outbound warehouse processes require proper record keeping through ledgers, and the environmental protection system simultaneously improves hazardous waste generation information to ensure clear flow direction and full process control, preventing leakage and illegal discharge.

Waste Gas Management

Generation Sources:

Mainly generated during the operation of equipment in production workshops (such as welding, baking, potting, oil immersion and other production processes), as well as kitchen oil fume emissions.

Monitoring Indicators:

Including particulate concentration, VOCs concentration, oil fume emissions, odor concentration, and others.

Management Targets:

Air pollutant emissions from tin immersion and paint immersion meet the Class II standard of the second time period of DB44/27 2001; oil fume emissions comply with the standard of GB18483 2001; unorganized emissions are effectively controlled.

Management Requirements

- Source Reduction: Optimize production raw materials and processes, prioritize the use of low VOCs and low pollution materials, and reduce the generation of waste gas pollutants; implement enclosure modifications for production processes that generate waste gas and install gas collection devices to reduce unorganized emissions.
- Emission Control: Waste gas collected through gas collection devices shall undergo pretreatment through supporting facilities such as dust removal, adsorption, and purification to ensure that the emission concentrations of particulate matter and VOCs meet the Emission Limits of Air Pollutants and relevant industry standards; exhaust stack height and monitoring point layout shall comply with specifications, and emission identification signs shall be posted in prominent locations.
- Emergency Control: Formulate the Emergency Plan for Environmental Incidents, which includes emergency response cards for excessive emissions of non-methane total hydrocarbons and other pollutants; equip emergency protective materials and regularly conduct emergency drills; in special situations such as equipment maintenance and process adjustments, effective control measures shall be taken to avoid excessive emissions.
- Monitoring Management: Regularly entrust qualified third parties to conduct testing and maintenance to ensure the normal operation of waste gas treatment equipment and compliance with emission standards.

Treatment Methods

- Waste gas generated in the production process is uniformly collected through internal collection pipelines and treated through processes such as secondary activated carbon adsorption and UV photolysis to ensure compliant emissions; in addition, qualified third-party institutions are regularly entrusted to maintain and service waste gas treatment facilities to ensure effective operation.
- Kitchen oil fume emissions are collected through pipelines and treated using electrostatic adsorption technology to ensure compliance with emission standards. Strictly review the treatment capability and compliance qualifications of third-party institutions, sign disposal contracts
- And clearly define treatment standards, monitoring requirements, and environmental protection responsibilities.
- Regularly verify the effectiveness of third-party treatment, retain treatment records and monitoring reports, and ensure full process compliance of waste gas disposal.

Solid Waste Management

Generation Sources:

General solid waste is mainly generated from production and manufacturing processes (such as product prototyping and assembly), as well as daily operations in office areas and plant sites; hazardous waste is mainly generated from product cleaning, baking, impregnation, painting, and equipment maintenance processes during production.

Monitoring Indicators:

- Generation Monitoring: The warehouse maintains ledgers to track the generation and entrusted disposal volumes of various types of general solid waste and hazardous waste, ensuring consistency between records and actual quantities;
- Storage Monitoring: Warehouse personnel conduct daily inspections of hazardous waste transfer storage and general solid waste transfer storage to ensure that all safety measures are effectively implemented;
- Disposal Monitoring: Monitor the volume of outsourced disposal, retain hazardous waste transfer manifests, and regularly review the qualifications of disposal units to ensure legal and compliant disposal.

Management Target:

- 100% legal and compliant disposal

Treatment Methods

- General Industrial Solid Waste: Priority is given to entrusting qualified third-party institutions with resource utilization capabilities for recycling and reuse (such as recycling of packaging materials and dismantling and reuse of waste components). Recycling agreements are signed to ensure that the disposal process complies with environmental protection standards.
- Hazardous Waste: Strictly select third-party institutions with hazardous waste operation licenses, verify their disposal scope, processes, and environmental compliance, and sign specialized disposal contracts. Before transfer, transfer manifests are processed in accordance with regulations, and transportation is carried out by qualified hazardous waste transport units to third-party disposal institutions. The entire transfer process is tracked, and disposal certificates and monitoring reports are retained to ensure 100% compliant disposal.

Case: Prevention Measures and Emergency Plan for Hazardous Waste Incidents

In order to effectively enhance the emergency response capability for sudden incidents such as hazardous chemical leakage, the Company has formulated the Emergency Plan for Environmental Incidents and conducts regular practical drills every year. In 2025, the Company organized emergency teams and relevant management personnel to carry out a chemical leakage accident emergency drill. By simulating the entire process from personnel reporting, receiving alarms to implementing emergency control measures, the effectiveness of the plan and the coordination and command capabilities of each team were tested. Through frequent drills, each emergency team has become increasingly proficient in mastering the accident response process, achieving timely reporting and effective handling, thereby providing solid assurance for minimizing casualties and property losses to the greatest extent.

Case: Successfully Awarded National Green Factory and Shenzhen Green Factory

JingQuanHua, with its outstanding performance in green manufacturing and sustainable development, was successfully awarded the National Green Factory and Shenzhen Green Factory titles. The selection follows the principle of "selecting the best among the best with strict control", adopting a multi-level process combining enterprise self-declaration, district level preliminary review and recommendation, municipal level expert evaluation, and on-site inspection. A systematic evaluation is conducted across five dimensions, namely low carbon energy use, efficient resource utilization, clean production, green products, and intensive land use.

Resource Utilization and Circular Economy

Energy Utilization

Governance

The Company has established a sound energy management governance structure. The General Manager serves as the highest responsible person for the energy management system, commits to the establishment, implementation, and continuous improvement of the effectiveness of the energy management system, and has formed a dedicated team to provide strong organizational support. At the institutional level, the Company has formulated the Energy Management Manual and a series of procedural documents covering energy consumption control for new, modified, and expanded projects, as well as energy baselines and performance parameter control, standardizing the entire process of energy utilization. At the same time, through the Control Procedure for Competence, Training and Awareness, the Company strengthens publicity and education and regularly carries out energy saving activities. On this basis, the Company strengthens energy management at the administrative level, focusing on quantitative indicators such as energy consumption per RMB 10,000 of output value, electricity consumption per RMB 10,000 of output value, and electricity consumption of air compressors, clarifies responsibilities to specific positions, and directly links performance evaluation, forming an effective incentive and constraint mechanism. As of the end of the reporting period, JingQuanHua Technology has obtained ISO50001:2018 Energy Management System Certification.

Strategy

The Company deeply recognizes the critical significance of efficient management of energy and resources and the exploration of potential energy saving opportunities in enhancing corporate efficiency and achieving sustainable development. With the energy management policy of "energy saving and carbon reduction, innovative development", the Company reduces energy consumption and pollution through multiple measures such as optimizing the energy structure and improving efficiency. At the same time, through technological and management innovation, the Company adopts new approaches to improve the energy management system and enhance resource utilization efficiency.

Impact, Risk and Opportunity Management

The Company integrates resource utilization related factors into the risk control system, conducts identification of relevant risks and opportunities in accordance with the Control Procedure for Risks and Opportunities, and adopts corresponding measures to promote continuous improvement of energy and resource performance. In 2025, the Company carried out an energy review. Through on-site investigation, data collection, data verification, and inventory and accounting checks, it reviewed the status of energy management and energy utilization and prepared the Energy Review Report in accordance with the requirements of GB/T23331 2020.

Measures	Content
Energy Saving Optimization of Power Product Testing Processes	• Pain Points:The testing cycle of power products is long, and the process power consumption is high, affecting production efficiency and energy cost. • Optimization Plan:By optimizing testing items, strengthening equipment maintenance, improving equipment stability, reducing misjudgment rates, and turning off power in a timely manner during standby, the Company systematically reduces testing time and process power consumption. • Achieved Results:The testing time of products in the SA01662 project was reduced by 38.1%; the total power consumption during the testing process of fast charging series and LED series products was reduced by 11,022 kWh per year, achieving the goal of energy saving and efficiency improvement.
Feedback Load Aging Cabinet	• Pain Points:Traditional aging cabinets waste a large amount of electrical energy in the form of heat, resulting in high energy consumption and heavy heat dissipation load, while relying on manual monitoring, leading to insufficient efficiency and data traceability. • Optimization Plan:Introduce the CPET-ME35096T feedback load aging cabinet, adopt soft switching technology to collect the electrical energy released during aging through electronic load modules, convert it through inverters into electrical energy that meets grid standards, and feed it back for use within the plant. At the same time, equip intelligent temperature control systems and aging monitoring software to achieve intelligent control of the entire process. • Achieved Results:Energy feedback efficiency reaches 85%, with annual recovered electricity of approximately 277,200 kWh per cabinet; temperature control accuracy reaches 55℃±5℃, and energy consumption of the cooling system is reduced by 30%; intelligent monitoring enables centralized management of 8 units of equipment, saving 50% of operating personnel.
Waste Heat Recovery and Utilization of Air Compressors	• Pain Points:A large amount of waste heat generated during the operation of air compressors is directly discharged, resulting in energy waste, while hot water required for production still relies on electric or gas heating, increasing energy consumption costs. • Optimization Plan:Install high efficiency heat exchangers on the exhaust pipelines of air compressors to recover waste heat for heating production hot water and providing heating for workshops in winter, achieving secondary utilization of energy. • Achieved Results:Reduce electric or gas heating energy consumption by approximately 23,000 kWh per year, while reducing the operating load of air compressors and extending equipment service life.
Electricity Use and Hot Water Supply in Dormitory Areas	• Pain Points:Electricity for lighting and sockets in dormitory public areas relies on the traditional power grid, and domestic hot water depends on electric heating equipment, resulting in high overall energy consumption and significant operational cost pressure. • Optimization Plan:Install a solar integrated utilization system on the rooftops of dormitory buildings, including solar photovoltaic panels for power supply in public areas and solar water heaters to replace electric heating equipment for domestic hot water. • Achieved Results:Save approximately 30,000 kWh of electricity per month and reduce daily electricity consumption for hot water by 800 kWh.
Energy Efficiency Optimization of Key Production Equipment	• Pain Points:Major energy consuming equipment such as tunnel furnaces, wave soldering furnaces, and stamping equipment have issues such as inaccurate temperature control, high standby energy consumption, and dispersed processes, resulting in energy waste and low operating efficiency. • Optimization Plan:Install temperature sensors on tunnel furnaces and optimize conveyor speed; enable energy saving mode on wave soldering furnaces to automatically adjust heating power; integrate stamping and cutting processes by combining punching and bending into a single piece of equipment. • Achieved Results:Energy consumption of wave soldering furnaces is reduced by 10%, daily electricity savings of a single tunnel furnace reach 120 kWh, and the overall energy efficiency of stamping equipment is improved by 8%.

Measures	Content
Operation Control of Central Air Conditioning System	• Pain Points:The central air conditioning system in the Shenzhen Longgang plant operates with fixed parameters, resulting in high energy consumption during non-peak periods and causing energy waste. • Optimization Plan:Introduce a central air conditioning energy consumption cloud control system, install sensors on key equipment to collect real time data, and dynamically optimize operating parameters through cloud-based algorithms to achieve on demand cooling supply. • Achieved Results:Cooling energy consumption is reduced by more than 15% compared with before the transformation.

Energy and Carbon Management Platform Construction

The Company has established a unified energy and carbon management platform, adopting a layered architecture design that covers the entire process including data collection, transmission, storage, computation, and application display. The platform is based on a B/S architecture, integrates various energy monitoring systems such as electricity, water, steam, and natural gas, supports automatic data collection and remote control of Smart meters, and features high openness, security, and scalability. It enables real time online monitoring, multi-dimensional analysis, and long-term management of energy consumption and carbon emission data. At the functional level, the platform includes core modules such as comprehensive dashboards, energy efficiency benchmarking, carbon emission accounting,
energy consumption budget management, and carbon asset management. It is also equipped with a product carbon footprint accounting platform, supporting product carbon emission modeling based on life cycle assessment methods, factor matching, supply chain data reporting, and automatic generation of accounting reports.

Upon acceptance inspection, the functional modules of the Company carbon management platform are comprehensively covered and operate normally. The system operates stably, and no fatal errors (Crash) or blocking bugs that seriously affect usage were identified during the testing period. The user interface (UI) and user experience (UX) are consistent with the design specifications and expectations, with clear operational logic and smooth interaction. The collection, calculation, and processing of energy data and carbon emission data are accurate and reliable, and the core business logic complies with design requirements, with calculation results consistent with business rules.

Indicators and Targets

Indicator	Target	2025 Progress
Comprehensive energy consumption per RMB 10,000 of output value	Decrease by 3% compared with baseline	Achieved monthly throughout the year

The Company scientifically sets energy use targets based on actual operating conditions and tracks the progress of target achievement through various methods in a timely manner.

Indicator			2025 Progress
Total Energy Consumption	Direct Energy	kgce	39,533.520
	Indirect Energy	kgce	4,140,176.689
	Total	kgce	4,179,710.209
Energy Consumption Intensity	Direct Energy	kgce/CNY 10,000	0.1158
	Indirect Energy	kgce/CNY 10,000	12.1301
	Clean Energy	kgce/CNY 10,000	0.284
	Total	kgce/CNY 10,000	12.2460

Case: JingQuanHua Technology Industrial Park Photovoltaic Project Successfully Connected to the Grid

- In 2025, the rooftop photovoltaic power generation project of JingQuanHua Technology Industrial Park was successfully connected to the grid. The project was constructed by Guoneng (Guangdong) Energy Development Co., Ltd., covering 4 factory buildings, office buildings, and parking sheds within the park, with a total installed capacity of 0.97 MWp, marking a new breakthrough in JingQuanHua's in-depth implementation of the green development strategy.

- This project adopts high efficiency photovoltaic modules to build a clean energy system, with an estimated average annual power generation of 1,069.9 MWh, equivalent to saving 322.58 tons of standard coal. It not only brings long-term economic and environmental benefits, but also contributes to improving regional air quality and supporting the realization of national energy conservation and emission reduction goals.

Water Resource Utilization

The Company continuously strengthens water resource management by establishing mechanisms for daily equipment inspection, water use approval, and data monitoring, strictly controlling the increase in water consumption from both source and process stages, and promptly identifying and correcting wasteful behaviors. At the same time, the Company actively promotes the reuse of water resources in dormitory areas and focuses on stimulating employee participation by adopting reasonable suggestions and providing incentives, forming a long-term mechanism for companywide water conservation and refined management, effectively reducing water consumption.

Key Practices in Water Saving Technologies

Water Saving Measures in Living, Office and Logistics Scenarios

Covering office areas, employee dormitories, employee canteens, and other living and logistics areas, water saving is implemented from both hardware upgrades and behavioral management.

- Hardware Upgrades and Promotion of Water Saving Appliances: Comprehensive renovation of water use facilities in office areas, dormitories, and canteens, widespread adoption of sensor faucets, and gradual replacement with water saving toilets and squat toilets to reduce water consumption per use at the source; at the same time, dishwashers are introduced to replace manual large volume rinsing, improving cleaning efficiency and reducing water consumption.
- Standardization of Logistics Water Use Operations: The canteen implements centralized sorting and cleaning of ingredients to avoid continuous water flow operations, and strictly enforces the "turn off immediately after use" system, with regular inspection and maintenance of pipelines to prevent leakage; dedicated personnel are assigned in office areas to inspect water use facilities in tea rooms and restrooms, promptly close unturned faucets and repair faulty equipment, and dormitory toilets are uniformly adjusted to appropriate water levels to save water per flush.

Water Saving Management of Outdoor Landscaping in the Park

In view of the seasonal and intermittent characteristics of landscaping water use, scientific irrigation is implemented to reduce ineffective water use.

- Adoption of Water Saving Irrigation Methods: Traditional flood irrigation is abandoned in park landscaping, and precise irrigation methods such as micro spray irrigation are fully implemented to deliver water directly to plant roots, significantly reducing evaporation and leakage losses.
- Scientific Control of Irrigation Frequency: Irrigation plans are dynamically adjusted based on seasons, precipitation, and soil moisture. Natural rainfall is fully utilized during rainy seasons, and supplementary irrigation is provided as needed during dry periods. Drought resistant plants are prioritized to reduce water demand at the source.
- Anti Seepage Maintenance of Landscaping Pipeline Network: Regular inspections of landscaping irrigation pipelines, sprinklers, and valves are conducted, with timely repair of damaged pipelines and faulty sprinklers to prevent water waste caused by leakage in the irrigation network.

Water Use Monitoring and Refined Management Assurance

- Improvement of Water Metering and Monitoring System: Independent water meters are installed at the Company's main water inlet and at different water use scenarios to achieve precise statistics and real time monitoring of water consumption by region and scenario, enabling accurate identification of high consumption and abnormal points.
- Establishment of Water Use Ledger and Analysis Mechanism: Dedicated personnel are assigned to be responsible for water consumption data statistics, monthly and quarterly water use ledgers are established, and comparative analysis is conducted to promptly identify causes of abnormal fluctuations and formulate targeted rectification plans.

Company Wide Water Conservation Promotion and Long-Term Mechanism Construction

- Strengthening Water Conservation Awareness and Education: Through factory bulletin boards, internal notices, employee meetings and other forms, the Company carries out publicity and training on water conservation knowledge, popularizes water saving techniques and Company policies, and enhances the awareness of all employees.
- Continuous Optimization of Water Saving Measures: The Company pays attention to advanced water saving technologies and equipment in the industry, promotes upgrades of water saving technologies and facility renovation in a timely manner, and regularly conducts self-inspection and evaluation of water saving work, summarizes achievements, and rectifies existing issues.

Circular Economy

- The Company attaches great importance to clean production and circular economy development, integrates resource conservation and environmental protection into daily operations, establishes and improves management systems and recycling systems, and promotes coordinated advancement from three dimensions, namely source optimization in design, recycling and reuse of packaging materials, and resource utilization of production waste, continuously improving resource utilization efficiency and supporting sustainable development.
- In terms of circular packaging materials, the Company has formulated the Management Provisions for Customer Packaging Material Recycling and the Packaging Material Recycling Projects of each base. For recyclable materials such as iron boxes, wooden boxes, pallets, pearl cotton, blister boxes, and heaven and earth boxes, a complete closed loop process from "recycling to reuse" has been established. In specific operations, delivery personnel count and register recyclable packaging materials at customer sites and bring them back to the plant. Warehouse receiving personnel inspect the quality and complete the storage procedures for recycled materials. The SAP system labels these packaging materials as "bulk materials" to avoid repeated procurement. When each department receives new packaging materials, it is required to first return the previously received old packaging materials, and the warehouse verifies them before issuing new materials. In addition, the Company establishes recycling points at customer sites through third-party suppliers to improve the recycling efficiency of frequently used packaging materials such as blister boxes and heaven and earth boxes.
- In terms of waste reuse, the Company incorporates recyclable scrap materials such as waste wire ends and copper, waste tin, and waste silicon steel sheets returned to the warehouse by various manufacturing departments and the research and development department into the circular economy management system, achieving full process control from "generation to reuse". After unified collection, these scrap materials are classified and inspected, and are either directly returned to production as auxiliary materials or handed over to professional recycling institutions for resource utilization.

Case: Reuse of Idle Equipment to Promote Cost Reduction and Efficiency Improvement

In 2025, during the production of 45W adapter products in the SA01510 project, the Company addressed the issues of low efficiency in manual soldering of AC/DC wires and the tendency of solder beads to cause machine burnout. By utilizing idle automatic soldering equipment and independently designing fixing fixtures, dual soldering iron heads were used to simultaneously solder two products. After the transformation, overall efficiency increased by more than 20%, and implementation tin breaking function reduced the solder bead occurrence rate by 89%, which not only revitalized idle assets but also improved product yield and production efficiency at the source.

Case: Independent Repair and Recycling of Winding Machine Reducers

In 2025, the Company carried out independent repair and recycling practices for winding machines that experienced coil deformation due to gear wear in reducers, which affected subsequent assembly. The engineering team restored the original operating accuracy and performance of the equipment by replacing worn gears, making the winding machine "as good as new". After the transformation, coil deformation was eliminated, and assembly smoothness and product quality were effectively ensured. This case extended the service life of core equipment with minimal investment, avoided resource waste caused by scrapping and replacing entire machines, and represents a typical practice of equipment level resource reuse.

Case: Independent Repair and Recycling of PLC Control System of Submergence Dissolving Instrument

In 2025, the Company carried out independent repair and recycling practices for the submergence dissolving instrument, addressing safety hazards and frequent downtime caused by corrosion and cracking of the PLC controller and aging and hardening of wiring. The engineering team replaced the PLC controller with a new one and reorganized the internal control wiring and power wiring in a standardized manner, completely eliminating electrical safety risks caused by corrosion and aging.

Case: SA1415 Product Circular Packaging Promotion Project

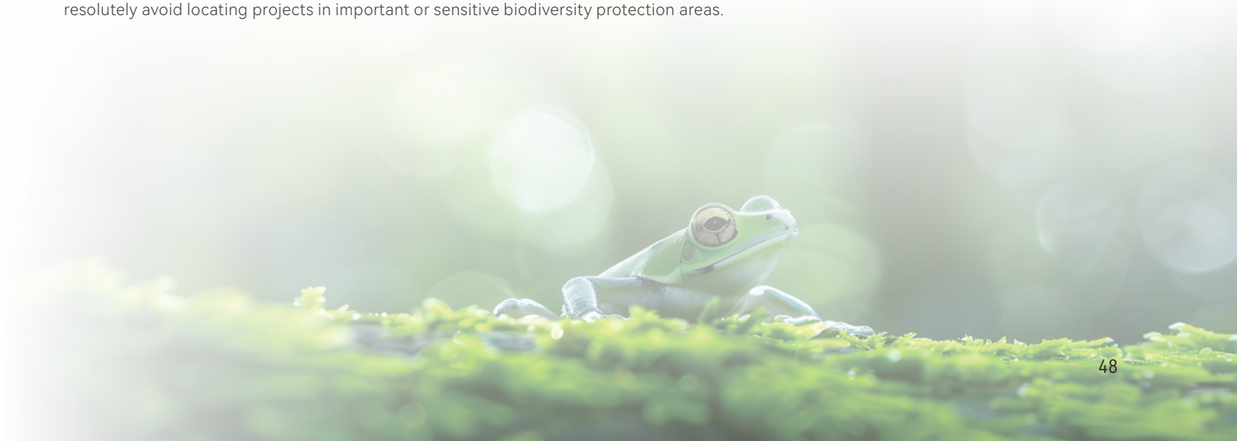
In 2025, the Company successfully implemented circular packaging improvements for SA1415 products, which were originally packaged in disposable cartons with high material costs and required secondary repacking by customers, affecting efficiency. By replacing cartons and wooden pallets with recyclable packaging (circulation boxes and plastic pallets), the Company established a closed loop system of "recycling, inspection, storage, and reuse", whereby packaging materials are returned to the plant for reuse after customer use. After the improvement, circulation boxes reduced packaging material procurement costs, representing a typical practice of implementing circular economy and promoting green reuse of packaging.

Before Improvement

After Improvement

Biodiversity Protection

The Company strictly complies with laws and regulations such as the Soil Pollution Prevention and Control Law of the People's Republic of China and Regulations on the Administration of Groundwater, regularly evaluates soil and groundwater environmental risks, and identifies potential sources and pathways of pollution. The Company's existing operating locations and production bases are not located in globally or nationally important or sensitive biodiversity protection areas, and all environmental protection permits have been obtained in accordance with regulations during construction and operation. In future planning of new projects, the Company will prudently assess site selection and resolutely avoid locating projects in important or sensitive biodiversity protection areas.



PART 03

Responsibility Commitment Delivering Corporate Warmth

Key ESG Topics in This Chapter

Response to SDGs Goals

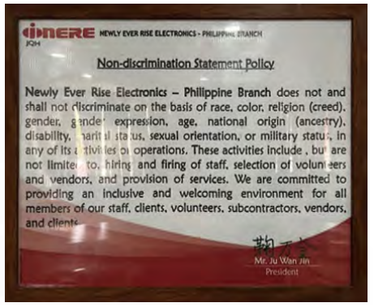
Employee Rights and Interests

Employee Recruitment

The Company strictly complies with the Labor Contract Law of the People's Republic of China and the Implementation Regulations of the Labor Contract Law of the Peope's Republic of China and other laws and regulations and has formulated the Recruitment Management System to standardize and improve employee recruitment management processes. The Company strictly prohibits the withholding of identity information and adopts various recruitment channels such as campus recruitment, social recruitment, and internal referral to widely carry out talent introduction. The Company actively provides employment opportunities for special groups in society, gives priority to hiring veterans, and actively participates in "Employment Assistance for Persons with Disabilities" recruitment fairs organized by the government and disabled persons' federations, contributing to employment for persons with disabilities.

Diverse Workplace and Anti-Discrimination

At the same time, the Company has formulated systems such as the Anti-Discrimination and Anti-Harassment Management Provisions, is committed to creating a diverse workplace environment, firmly opposes any form of discrimination, and ensures that every employee is treated fairly and equally regardless of race, color, nationality, gender, age, religious belief, or cultural background.


NEWLY EVER RISE ELECTRONICS - PHILIPPINE BRANCH

Non-discrimination Statement Policy

Newly Ever Rise Electronics – Philippine Branch does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers and vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of our staff, clients, volunteers, subcontractors, vendors, and clients.

Mr. Ju Wan Jin
President

Figure Note: Anti-discrimination Commitment

Prohibition of Child Labor and Forced Labor

The Company has formulated systems such as the Regulations on the Protection of Underage Workers, the Management Provisions on the Rescue of Child Labor, and the Provisions on Prohibiting Forced Labor and Allowing Freedom, strictly prohibits the withholding of identity information, prohibits forced labor, prohibits the use of child labor and prison labor, prohibits coercion and harassment, prohibits discrimination, respects freedom of association, respects workers' freedom, prohibits any form of forced labor and restriction of employees' freedom, reasonably arranges production plans, controls excessive overtime, and reasonably arranges employees' working hours and rest and leave. The Company provides lawful and reasonable wages and benefits (with incentive mechanisms) to ensure that employees receive lawful and reasonable remuneration and benefits.

Democratic Management

The Company strictly complies with laws and regulations such as the Trade Union Law of the People's Republic of China and has formulated the Trade Union Charter and the Employee Representative Congress System, continuously optimizing and improving the democratic management system and supporting the Company's trade union to carry out its work in accordance with the law. The Company widely listens to employees' voices through democratic channels such as the Employee Representative Congress and trade union meetings, vigorously promotes the standardization, institutionalization, and rule of law development of democratic management, and creates a harmonious and democratic atmosphere.

Appeals and Communication

The Company attaches importance to communication and interaction with employees and has established smooth communication channels including face to face communication, contact letters, email, meetings, employee symposiums, trade union mailboxes, and the General Manager's mailbox. Complainants may choose to submit oral or written appeals. At the same time, the Company has formulated the Employee Appeal Management System and established a reasonable and effective employee appeal mechanism. During the entire appeal handling process, relevant personnel shall maintain confidentiality. Any person who discloses confidential information shall be punished in accordance with relevant regulations. Any retaliation against complainants shall be subject to severe punishment in accordance with relevant regulations.

Employee Satisfaction

The Company regularly conducts employee satisfaction surveys to gain an in-depth understanding of employees' needs and expectations, evaluate the effectiveness of the Company's management practices, and promote communication and interaction between employees and the Company, thereby enhancing employees' sense of belonging and satisfaction. In 2025, the Company conducted a satisfaction survey for all employees, aiming to comprehensively and systematically understand employees' true perceptions of work experience, development environment, and organizational management. A total of 3,021 valid questionnaires were collected, and the overall employee satisfaction rate reached 93.19%, reflecting employees' high level of attention to and trust in the Company's management.

Compensation and Benefits

The Company has formulated the Compensation and Benefits Management System and the Performance Management System, established a scientific and reasonable compensation and benefits system, adhered to equal emphasis on incentives and constraints, clarified the compensation structure and standards, attracted and retained outstanding employees, and improved employees' work efficiency and creativity. At the same time, the Company has established a labor dispute mediation committee and formulated the Employee Appeal Management System and the Employee Performance Appeal Form, specifying standardized procedures from acceptance, investigation, internal mediation to subsequent legal support. Employees who have objections to compensation payment may file appeals in accordance with the procedures.

The Company has established the second phase employee shareholding plan in accordance with relevant laws and regulations. The participants of this plan include supervisors of the Company (Note: there are no supervisors after the change in June 2025), senior management personnel, middle management personnel, and core technical (business) personnel, with a total number not exceeding 50. The shares are sourced from the Company's repurchased JingQuanHua A share ordinary shares in the special securities account, with a total not exceeding 2,543,800 shares.

The Company fully safeguards employees' statutory and lawful rights and interests, pays social insurance and housing provident fund for all employees in accordance with the law, provides diversified accommodation arrangements, and strictly grants employees various statutory paid leaves such as annual leave, marriage leave, bereavement leave, maternity leave, and paternity leave in accordance with national regulations. In addition, the Company provides employees with certain daily medical supplies free of charge and offers additional special position allowances and high temperature allowances for specific positions.

At the same time, the Company has established and improved the Social Responsibility Management Control Procedure and the Attendance Management System. A standard working hour system of 8 hours per day and 40 hours per week is implemented. If overtime is required due to production and operation needs, the principle of voluntary overtime is followed, ensuring that the total working hours per week do not exceed 60 hours, and that employees have at least 1 day of rest within every 7 days. The Company implements a digital management system to accurately record working hours and ensure compliant calculation, guaranteeing that overtime wages are paid in accordance with the law (1.5 times on working days, 2 times on rest days, and 3 times on statutory holidays). Through optimizing production scheduling and improving production efficiency, the Company continuously promotes "reducing working hours and improving efficiency".

Employee Care

Care for Female Employees

The Company attaches great importance to the protection of female employees' rights and interests and provides strong support for their career development and rights protection from multiple aspects. In terms of employment and development, the Company adheres to the principle of equality and provides a broad platform for female employees to enjoy equal employment and development opportunities. In terms of health protection, the Company has formulated systems such as the Protection Procedures for Women during the Three Periods and the Risk Assessment Provisions for Pregnant Female Employees and New Mothers, prohibits female employees from engaging in high risk and prohibited work, and fully safeguards their lawful rights and interests during pregnancy, childbirth, and breastfeeding periods.

To further care for female employees, the Company has systematically promoted the construction of maternal and childcare facilities. Standardized nursing rooms have been established in Shenzhen Longgang, Longhua, Heyuan, Jiangsu, Hubei and other subsidiaries and production bases, achieving 100% coverage of domestic plants in China, with full consideration of privacy, cleanliness, comfort, and warmth.

Care for Employees in Need

The Company has established a comprehensive support and care mechanism for employees in need, covering identification of employees in difficulty, living assistance and care, medical and health care, and work and position support. For employees facing situations such as family financial difficulties, serious illnesses, or unexpected accidents, the Company provides targeted assistance through holiday visits, temporary subsidies, medical assistance, and job adjustments. In 2025, the Company distributed care funds totaling RMB 15,619.20. Trade union members promptly visited sick employees at their homes, provided careful comfort and guidance, and delivered care supplies.

Cultural Activities

The Company regularly organizes badminton, table tennis, and basketball competitions, as well as community recreational activities, to enrich employees' cultural life outside work. At the same time, the Company conducts mental health and safety training and has established psychological counseling rooms to comprehensively care for employees' physical and mental health.

Case: Holding the 2025 "Changemakers" Cup Basketball Friendship Match

To enhance employees' work-life experience, enhance friendship among colleagues, and convey the sporting spirit of "fair competition, tenacious struggle, and never giving up", the Company's trade union held a basketball friendship match themed "Moving Forward Together with One Heart, Embracing Change and Sharing Win-Win Results" at the basketball court of JingQuanHua Technology Industrial Park in October 2025. Employees actively formed teams to participate. The event lasted for 37 days and featured a total of 10 exciting matches, fully demonstrating the vigorous and aspiring spirit of JingQuanHua employees.

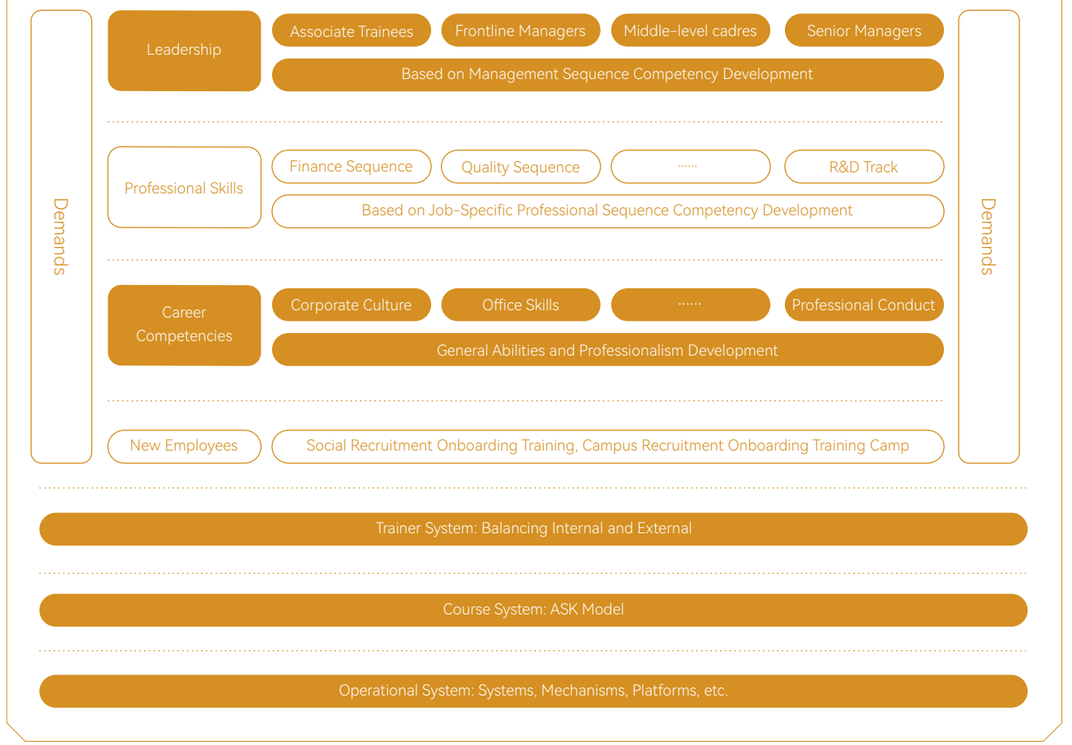
Training and Development

Employee Training

The Company has established an Education and Training Center, for which the Chairman personally inscribed the motto: "Nurturing teachers' dedication with quiet influence and cultivating talents in diverse ways". The Company has formulated systems such as the Training Management System and the Courseware Development Management Provisions. Each year, through various methods including questionnaires and interviews, the Company conducts training needs surveys among supervisors at all levels and all employees, and on this basis formulates the Annual Training Plan, achieving standardized training management.

The Company is committed to building a learning-oriented organization. By establishing an internal lecturer team and supporting it with the Internal Lecturer Management Provisions, the Company realizes systematic and standardized management of teaching resources. At the same time, the Company actively supports employees in participating in external training and provides incentives such as full cost coverage. In terms of training implementation, the Company adopts diversified teaching methods such as learning through practice, case analysis, and group discussion, and has established a continuous tracking and evaluation mechanism to promptly adjust and optimize training content, ensuring accurate alignment between training quality and employees' growth needs. In addition, the Training Management System clearly stipulates that for personnel in special positions (such as forklift operators, electricians, welders, and hazardous chemicals related positions) and other internal employees, if job requirements necessitate obtaining position qualification certificates or participating in industry seminars and training, all training expenses shall be borne by the Company. In 2025, a cumulative total of 18 person times participated in external training or obtained relevant skill certificates.

Training System Planning Diagram



Case: New Employee Onboarding Training

With the diversification of the Company's business development and the acceleration of technological iteration, to address issues such as the disconnect between campus knowledge and job requirements for newly recruited university graduate employees and the lack of clarity in their development paths, the Company launched a systematic graduate development program in 2025. This program aims to help university graduates quickly complete role transition, consolidate professional foundations, establish a multi sequence talent pipeline, and strengthen organizational identity. In terms of specific measures, the Company implemented a one-year mentorship system through the combination of "centralized training, workshop internship, on the job practice, and mentor guidance", supplemented by phased review and assessment and the establishment of a growth community, to promote learning through work and mutual progress through communication.

A total of 46 newly recruited university graduate employees were trained under this program, covering four major sequences, namely management, technology, functions, and marketing. This initially established a multi sequence talent pool for the Company and laid a solid foundation for subsequent cadre selection and reserve of technical backbone personnel.

Career Development

The Company is committed to providing employees with equal and diversified career promotion channels, establishing a dual channel development system that combines horizontal and vertical advancement, and ensuring that outstanding talents have smooth promotion pathways within the Company. The Company has established an internal transfer mechanism and formulated the Provisions on Onboarding, Confirmation, Transfer, Resignation and Related Matters to regulate the internal transfer process for employees. Subject to the satisfaction of relevant conditions, employees may apply for cross department positions.

At the same time, we continuously optimize career advancement paths and provide rich and diverse training and learning resources to help employees maximize their personal career aspirations and value. The Company has formulated the Operation Manual for Position Skill Training and adopts a combination of theory and practice for training. Any person who has not received training and passed the assessment is strictly prohibited from working independently.

JingQuanhua Career Development and Advancement Path

Business Series	Technical Series	Management Series
Business Consultant	R&D Chief Engineer/Research Institute Director	(Deputy) General Manager
Business Director	Senior Engineer	Director
Business Manager Senior	Assistant Engineer/Engineer	Manager
Business Manager	Technician/Specialist	Section Chief
Salesperson		Head
Business Assistant		Team Leader
		Operator/Clerk/Assistant

Occupational Health and Safety Production

Governance

The Company has established a Safety Committee chaired by the legal representative of the enterprise to comprehensively coordinate the operation of the occupational health and safety management system, and strictly implements the safety production responsibility system by appointing the primary responsible person of each department level by level, ensuring that safety management responsibilities are effectively implemented. In accordance with the requirements of the ISO45001 system, the Company has formulated and implemented rules and regulations such as the Labor Protection Management System, the Safety Management Provisions for Park Lessee Units, and the Fire Safety Management System. The Company regularly carries out identification and control of occupational hazard factors, provides employees with protective equipment that meets standards, and establishes "one person, one file" occupational health monitoring records. In terms of training, the Company implements a layered and categorized safety education system to ensure that the pre job training rate for new employees and the certification rate for personnel engaged in special operations both reach 100%. In emergency management, the Company has formulated special emergency response plans, regularly conducts multi scenario drills, and has established a voluntary fire brigade to continuously improve emergency response capabilities. In addition, the Company attaches importance to employees' quality of life by providing safe and hygienic accommodation and catering conditions and creating a healthy and comfortable working environment. As of the end of the reporting period, JingQuanHua Technology, Heyuan JingQuanHua, Smart Electric, Guangdong JingQuanHua Energy, the Philippines factory, and the India factory had obtained ISO45001:2018 Occupational Health and Safety Management System Certification.

Strategy

The Company attaches great importance to employee health and safety, strictly complies with the requirements of laws and regulations, and regards compliance management as a rigid constraint for health and safety work. On this basis, the Company is committed to creating a safe and healthy physical environment and working atmosphere, and comprehensively enhances employees' awareness of health and safety and their emergency protection capabilities through systematic training and publicity. At the same time, the Company has established a continuous improvement mechanism to regularly evaluate and optimize the health and safety management system, ensuring that all measures are effectively implemented and providing fundamental support for the Company's sustainable development and employees' physical and mental well-being.

Impact, Risk and Opportunity Management

The Company has formulated the Procedure for Hazard Identification, Risk Assessment and Determination of Control Measures, which clarifies the identification methods for routine and potential hazards in safety production sites and reasonably evaluates risk levels. The Company organizes regular annual inspections of occupational disease hazard factors in the workplace and entrusts qualified third-party institutions to issue detailed inspection and evaluation reports. Daily equipment inspections are conducted to promptly identify and eliminate potential safety hazards during operation. At the same time, the Company regularly organizes various safety inspection activities, including monthly comprehensive safety inspections, routine inspections, and supervisor on duty inspections. By applying digital and information-based methods, the Company promptly and effectively identifies various safety risks, ensuring the stable operation of safe production.

Safety Management Practices

The Company strictly implements the System for Investigation and Management of Hidden Dangers in Safety Production Accidents and adopts a responsibility system led by department heads. Each department regularly organizes safety self-inspections, safety personnel conduct on-site inspections at any time, and members of the Safety Committee carry out irregular spot checks. Upon identification of hazards, responsible persons are notified verbally or in writing according to the severity and required to rectify within a specified time limit, ensuring timely and effective elimination of hazards.

Case: Emergency Fire Evacuation Drill for All Employees

In view of the sudden and hazardous nature of fire accidents, the Company regards fire safety as a top priority in safety production and organized an emergency fire evacuation drill for all employees in 2025. The drill simulated a sudden fire in a production workshop and comprehensively tested the initiation of emergency response, coordinated operations among rescue teams, and post disaster recovery capabilities. Through practical training, employees became proficient in the use of fire extinguishers and self-rescue and escape skills. The voluntary fire brigade was able to quickly activate fire hydrants, and each emergency team demonstrated clear responsibilities and effective coordination, significantly enhancing the Company's fire emergency response capability.

Case: Safety Awareness Enhancement Training

The Company consistently prioritizes human life, adheres to the principle of safe development, and never compromises human life at any cost. To address the root cause, it implements safety awareness enhancement training starting from the very foundation of employees' mindset.Led by the EHS Management Department, the training strengthened overall safety awareness through legal and regulatory interpretation, case reviews, and analysis of current conditions, promoting the transformation from "being required to be safe" to "actively pursuing safety" . The initiative aims to fundamentally address issues such as weak safety awareness among employees and occasional occurrences of "three violations" . In 2025, the Company systematically conducted occupational health training on electrical safety, mechanical safety, and other topics, with a total of 158,353.5 training hours.

Occupational Health Protectiont

The Company comprehensively safeguards employees' physical and mental health by establishing a systematic occupational health protection system. In accordance with the Employee Physical Examination Management Provisions, the Company arranges routine annual health examinations for employees and strictly implements "pre-employment, on the job, and post-employment" three stage occupational health examinations for production personnel exposed to occupational hazard factors. Any abnormalities identified result in immediate reassignment and implementation of health management measures, effectively preventing occupational diseases. At the same time, the Company strictly implements the Labor Protection Management System, requiring employees to wear personal protective equipment in accordance with job specifications and posting occupational hazard notification cards in prominent locations at workplaces to ensure employees' right to know. In addition, all office and production areas are equipped with first aid kits in accordance with the First Aid Kit Management Provisions and are inspected daily to ensure that employees receive timely basic medical assistance in case of accidental injuries, thereby comprehensively strengthening the occupational health and safety defense line.

The Company adheres to a people-oriented management philosophy. By establishing psychological counseling rooms and regularly organizing reception days, the Company provides employees with professional stress relief and psychological support services. At the same time, the Company has formulated the Psychological Counseling Management System to strictly ensure the privacy and confidentiality of the counseling process, effectively promoting employees' mental health.

Case: Occupational Health Examinationz

To effectively safeguard employees' occupational health and safety, the Company strictly complies with the requirements of the Prevention and Control of Occupational Diseases Law of the People's Republic of China and entrusts qualified professional institutions to conduct standardized occupational health examinations for employees exposed to occupational hazard factors, achieving "early prevention, early detection, and early job adjustment". In 2025, a total of 561 employees participated in the examinations, with an occupational health examination coverage rate of 100%. All annual workplace occupational hazard factor testing results met the required standards. No occupational disease cases or suspected cases were identified throughout the year, ensuring employees' health and job suitability from both the source and process levels.

Case: Emergency First Aid Skills Training

Adhering to the principle of "life first", to comprehensively enhance employees' practical emergency first aid capabilities, the Company invited instructors from the Red Cross to conduct emergency first aid skills training. The training adopted a combination of theoretical instruction and practical exercises, systematically covering key skills such as cardiopulmonary resuscitation, hemostasis and bandaging, and the use of AED. In 2025, a total of 63 employees completed the training, effectively strengthening the Company's internal emergency first aid capacity and significantly improving frontline emergency response capabilities.

Indicators and Targets

The Company has established a regular tracking mechanism for occupational health and safety production targets. At the beginning of each month, the EHS Management Department conducts statistical assessment of the core KPI of each department for the previous natural month and reports the results to management and relevant department heads via email through the Monthly Safety Report before the 10th of each month. The report includes key indicators such as the number of work-related injury accidents, the rate of hazard rectification, the certification rate of personnel engaged in special operations, the rate of employee safety production education and training, and the number of occupational disease cases, and conducts comparative analysis against annual targets, with early warnings issued for abnormal items.

Indicator	Target	2025 Progress
Fatalities and serious injuries (including traffic liability) accidents	0 time	Achieved
Number of occupational disease cases	0 time	Achieved
Employee safety production education and training rate	100%	Achieved
Compliance rate of occupational hazard factors	100%	Achieved

Rural Revitalization and Social Public Welfare

Rural Revitalization

The Company actively fulfills its social responsibilities by donating to the Longhua District Charity Association of Shenzhen to provide targeted support for rural revitalization initiatives and has established a paired assistance relationship with Hualong Village, Aidong Town, Donglan County, contributing to rural development through practical actions. In 2025, the Company's cumulative donations for rural revitalization amounted to RMB 35,000.

Social Public Welfare

The Company actively practices social responsibility and continuously carries out diversified social public welfare initiatives. At the same time, the Company encourages employees to participate in volunteer services, integrates public welfare concepts into corporate culture, and demonstrates corporate responsibility. In 2025, the Company donated 205 computers to the Guangdong Provincial Education Foundation to support the development of education. At the same time, Jiangsu JingQuanHua actively responded to the "Kindness for the People, Good Deeds in Yandu" online fundraising initiative by donating CNY 30,000. In addition, JingQuanHua Philippines actively sponsored local industrial park competition activities and provided learning supplies for children in impoverished mountainous areas.


荣誉证书

HONORARY CREDENTIAL

江苏京泉华电子科技有限公司:

感谢贵单位向"慈心为民·善行盐都"网络捐赠活动捐款 30000 元整，对此善行义举和崇高的人道主义精神，我们表示诚挚的敬意和谢意！

盐城市[illegible]总会

2025 年 11 月 26 日

Case: "Walking with Love" Voluntary Blood Donation Activity

To promote the spirit of selfless dedication and actively give back to society, JingQuanHua Technology Industrial Park held a voluntary blood donation activity themed "Chasing Dreams with Passion, Walking with Love" on March 21, 2025. Chairman Mr. Zhang Lipin personally attended the event to mobilize participation and encouraged employees to actively participate by sharing his own blood donation experience, conveying warmth and care. On the day of the event, a total of 36 employees successfully donated blood, with a cumulative donation volume of 12,000 cc, contributing valuable resources to Shenzhen's medical services. This activity fully demonstrated the enthusiasm for public welfare and sense of responsibility of JingQuanHua employees. In the future, the Company will continue to organize various social public welfare activities and continuously spread love and positive energy.

PART 04

Innovation Driven Craftsmanship Shaping the Future of Smart Manufacturing

Key ESG Topics in This Chapter

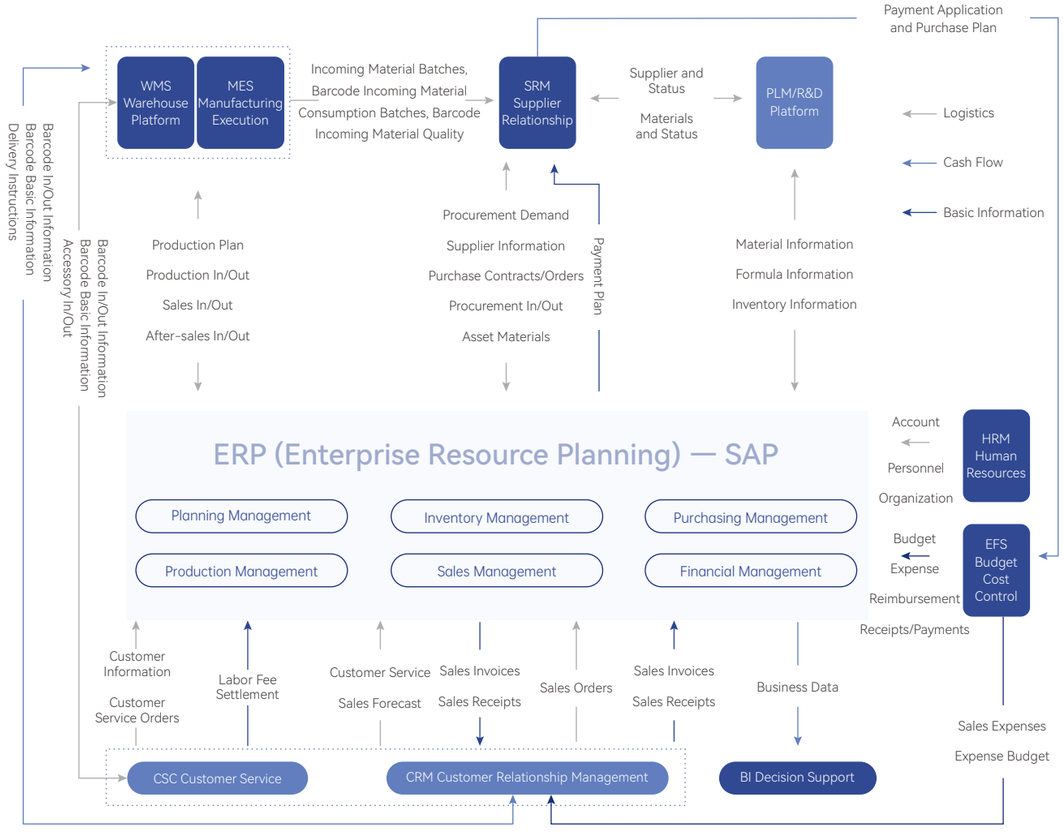
Response to SDGs Goals

Digital and Smart Empowerment

With the continuous expansion of the Company's business, the product portfolio has become increasingly diversified and complex, bringing various uncertainties and uncontrollable factors. In response to these challenges, JingQuanHua closely follows the national digital transformation strategy, vigorously develops new quality productive forces, and promotes the deep integration of digital intelligence and informatization concepts across all aspects of production and operations. The Company is committed to building a high-quality Smart manufacturing platform to achieve process standardization, data driven decision making, and collaborative operations.

The Company takes "short, flat, and fast" response to customer needs as its core principle, focuses on the intelligent upgrading of the entire process from research and development, supply chain, production to delivery, and actively promotes digitalization and intelligent development. The Company has successively introduced information systems such as SAP, OA, PLM, HRM, SRM, MES, CRM, and tooling management systems, and continuously optimizes and upgrades them to realize customer service quality control and IT enabled management operations, striving to achieve simultaneous improvements in efficiency and quality across all links and ultimately realizing "business digitization, process automation, and rapid operations".

IT System Interconnection



Company's Digital Intelligence Transformation — ERP Enterprise Resource Planning Construction

Segment	Measures
Supply Chain Segment	• The Company has established an SRM (Supplier Relationship Management supplier relationship management system) to realize real time information sharing with suppliers, improve the management efficiency of processes such as sales, procurement, and bidding, and enhance supplier management capabilities through digital information management. The system is applied to identify, locate, provide early warning, and efficiently handle hidden risks in the supply chain, strengthening supply chain resilience and accelerating the digital transformation of the entire supply chain lifecycle.
Research and Development Segment	• The Company has introduced the research and development PLM (Product Lifecycle Management, product lifecycle management system) and tooling management system to jointly promote digital transformation. The two systems are deeply integrated to achieve seamless connection between tooling data and product research and development data, greatly improving collaboration between product development and manufacturing and injecting strong momentum into innovation and continuous progress. • Research and development PLM system: builds a core platform for product data management, centrally storing and managing research and development data, ensuring data accuracy and consistency, controlling projects throughout the entire process from initiation to release, promoting collaborative development, and accelerating the innovation process. • Tooling management system: realizes lifecycle management of production equipment, instruments, and fixtures, including acceptance, issuance, recovery, maintenance, repair, and validity period, providing effective data support for tooling management and allocation, and improving resource utilization and efficiency.
Production and Quality Assurance Segment	• The Company has introduced the management approach of "three transformations and one stability" (management IT enabled, production operations automated, personnel professionalized, and relative stability of personnel in key positions) and the integrated management system of informatization and industrialization. By applying information systems such as MES (Manufacturing Execution System, manufacturing execution system), the Company continuously improves production efficiency and product lifecycle traceability and promotes steady improvement of product quality through refined management and control. • The Company vigorously promotes automated production and has established an automation center. It currently operates more than 70 modern automated production lines and has introduced fully automated equipment in processes such as winding, soldering, assembly, and dispensing, significantly reducing labor intensity and improving production efficiency.
Sales and Service Segment	• The Company has implemented the CRM system (Customer Relationship Management customer relationship management system) project, building full process management of customer information, improving the speed of response to customer needs and the quality of contract fulfillment, and achieving the organic integration of standardized and personalized customer service management.
Management Support Segment	• With the help of the HRM system (Human Resource Management System, human resource management system), the Company realizes refined talent management, covering organizational structure optimization, improvement of working hour utilization, and optimization of human resource processes, thereby reducing labor costs and improving human efficiency; • The Company adopts the OA system (Office Automation System office automation system), with embedded BI table reports, facilitating daily office work and data statistical analysis; • A mobile office portal (Enterprise WeChat employee home) has been established to break spatial limitations and improve office flexibility and convenience. The Company uses Cormal email and Yealink conference systems to meet internal and external communication and meeting needs and improve communication efficiency. • Documents are encrypted and otherwise protected to safeguard important internal information and data security, reduce the risk of information leakage, and ensure the Company's lawful rights and normal operations.

Research and Development Innovation

Governance

The Company integrates research and development direction with business development. Under the overall coordination of senior management, research and development departments for magnetic components, automotive magnetic components, and power supply products have been established, and product design and development work is carried out in an orderly manner in accordance with systems such as the Design and Development Control Procedure. Through years of research, design, and production of magnetic components and power supply products, the Company has obtained qualifications and honors such as "National High Tech Enterprise" and "Shenzhen Municipal Research and Development Center", cultivated a large number of research and development talents, and formed a research and development team with solid theoretical foundations, strong technical capabilities, and rich experience, laying a solid foundation for innovation driven development. As of the end of the reporting period, Jiangsu JingQuanHua had obtained certification as a specialized and sophisticated small and medium sized enterprise.

At the same time, the Company has established a sound innovation incentive system such as the Innovation Incentive System. The Company holds an annual invention patent award ceremony to present honorary certificates and bonuses to employees who have obtained invention patents, thereby fostering a strong culture of innovation.

Strategy

The Company consistently adheres to the business philosophy of technological innovation and stable quality, forming a product technology innovation strategy based on magnetic components, with simultaneous development of power supplies and special transformers. The Company regards technological innovation as the core driving force for business upgrading, with product research and development guided by market demand, forming a technological development path in which "magnetic components and special transformers drive the advancement of power supplies, and power supplies in turn promote the development of magnetic components and special transformers".

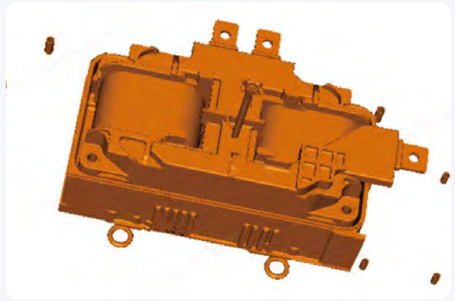
Impact, Risk and Opportunity Management

The Company consistently adheres to the business philosophy of technological innovation and stable quality. In accordance with systems such as the Management Procedure for Risks, Opportunities and Control Measures, the Company carries out identification, analysis, and evaluation of risks and opportunities in areas such as intellectual property. At the same time, the Company continuously optimizes every detail in the product research and development and design stages, and fully considers factors such as material cost, processes, and quality to ensure long-term innovative development in the future.

Green Design

During the new product research and development process, the Company introduces eco design concepts and conducts life cycle assessments of products, comprehensively considering environmental impacts from raw material selection, production processes, usage, to end of life disposal. In accordance with national standards, the Company carries out eco design for its products, optimizes product structures and processes, and reduces energy consumption and environmental impacts throughout the entire life cycle of products. The Company conducts eco design product evaluations and continuously improves product design and production processes based on evaluation results. At the same time, the Company strictly controls the use of hazardous substances during the product manufacturing process to ensure that products (including raw materials and auxiliary materials) comply with national requirements on the restriction of hazardous substances. The Company actively explores substitution technologies for hazardous substances and gradually achieves substitution, thereby reducing environmental risks of products.

Case: Lightweight Design and Energy Efficiency Optimization of Automotive BOOST Inductor



The Company integrates green design concepts into the research and development of automotive BOOST inductors. Through secondary optimization of the product, resource conservation and energy efficiency improvement are achieved while meeting customer requirements. After optimization, the product weight is reduced by approximately 1 kilogram, effectively decreasing material consumption. Energy consumption is reduced by 43W, improving energy utilization efficiency. At the same time, process improvements reduce the use of soldering materials, and all materials comply with environmental standards.

Case: LC Plug in Removable Transformer Design

The Company has successfully developed a 6.6kW plug in transformer. Through customized plug in structure design, independent disassembly and replacement of the transformer and PCB board are realized. When any component fails, only the faulty component needs to be replaced, and undamaged components can continue to be reused, effectively extending material service life and reducing electronic waste. This represents a typical practice of the Company in implementing green design and promoting resource recycling.

Case: Innovation in Transformer Coil Winding Structure

The Company has developed a new type of coil winding structure and automated winding device. By using environmentally friendly insulating materials to isolate the coil from the magnetic core, failure caused by vibration and friction is avoided, significantly extending product lifespan. All materials comply with RoHS standards, and metal and insulating components can be quickly disassembled and classified for recycling. At the same time, automated processes reduce manual intervention and lower production energy consumption. This innovation has won the China Patent Excellence Award and represents a typical practice of the Company in promoting long product life, recyclability, and low energy consumption through green design.

Intellectual Property Protection

The Company has been recognized as a National Intellectual Property Advantage Enterprise and has established an Intellectual Property Department, forming a core management system based on the Intellectual Property Management Manual and the Intellectual Property Management Measures, standardizing the entire process management from annual planning, application evaluation to ownership determination. In activities such as research and development and investment and financing, strict implementation of search and due diligence is carried out, and confidential information is subject to stringent control. At the same time, the Company strengthens awareness of protection among all employees through regular training and reward and punishment mechanisms, and comprehensively uses administrative and judicial means to monitor market risks and safeguard intellectual property rights.

Open Innovation Ecosystem

The Company takes independent research and development as the core driver while deepening external collaborative innovation and continuously improving the layout of its global research and development network to support industry technological innovation. By actively establishing cooperative relationships with well-known domestic universities and research institutions, the Company builds joint research and development platforms, introduces new technologies and resources, and promotes deep integration of internal and external innovation forces. On this basis, the Company focuses on fields such as energy storage and green energy conversion, explores lifecycle innovation solutions, and works with industry chain partners to build a sustainable industrial ecosystem.

Case: Deepening Industry University Research Collaboration to Accelerate Core Technology Transformation

The Company has successively established industry university research strategic cooperation with Wenzhou University, Hunan Institute of Engineering, and Xi'an Technological University, forming a technical team composed of professors and postgraduate students to carry out key technology research in fields such as 5G communication power supplies, photovoltaic power supplies, automotive auxiliary power supplies, and energy storage power supplies. Among them, the jointly applied projects "Key Technology Research on Ultra High-Power Density Chip Type Power Modules" and "Industrial Application Research on Key Technologies of Solar Anti Reflection and Grid Connected Inversion" have received project funding from the Shenzhen Science and Technology Innovation Bureau. In addition, the Company has jointly established the Shenzhen Sub Center of the National Engineering Technology Research Center for Electric Power Conversion and Control with the academician Luo An team of Hunan University, continuously promoting the aggregation of innovation resources and the transformation of achievements, and injecting new momentum into industry technological upgrading and green development.

Indicators and Targets

In 2025

the Company research and development innovation target is to increase by **10** patents or more compared with the previous year, and to regularly track the progress of target achievement through multiple forms.

As of the end of the reporting period, the Company has added **19** patents.

Case: Research and Development Innovation of 3kW Solar Communication Power Supply

In response to the trend of green energy transformation, the Company has continuously increased investment in research and development in the field of communication power supplies and successfully developed a 3kW solar communication power supply product. Based on the accumulation of previous generation technologies, this project carried out targeted innovation for solar input scenarios, achieving a wide range DC input of 100V to 300V and MPPT maximum power point tracking function, with peak efficiency reaching 97%, effectively improving solar energy utilization efficiency.

The project was completed independently by a cross departmental research and development team over a period of 7 months, covering the entire process from solution design to mass production. By optimizing circuit topology and control algorithms, the product achieved breakthroughs in high efficiency energy conversion, high reliability, and long service life, and can operate in a wide temperature range from -20℃ to 70℃, with a design life of 10 years.

The successful development of this product not only enriches the Company's product portfolio in the field of green communication power supplies, but also provides a feasible pathway for the application of clean energy in scenarios such as communication base stations, demonstrating the Company's core capability of promoting sustainable development through technological innovation.

Case: Research and Development Innovation of 300W Gallium Nitride Adapter

In response to the urgent market demand for high power density and miniaturized adapters, the Company successfully developed the 300W gallium nitride adapter project based on third generation semiconductor gallium nitride technology. While meeting international safety regulations, EMC and environmental protection standards, the product achieves breakthrough optimization in volume and energy efficiency.

The project was completed independently by a cross departmental team of 12 research and development personnel over a period of 6 months, covering the entire process from solution design, testing and verification to mass production. By adopting a gallium nitride solution, the product volume is reduced by 30% compared with traditional adapters of the same power in the industry, achieving a balance between small size and high-power density. The efficiency exceeds 89%, ripple is controlled within 150mV, power on and off overshoot is stabilized within ±10%, and the product has passed multiple reliability verifications including ±15KV air discharge, 300,000 hours mean time between failures, and 1 meter drop tests.

The successful implementation of this project not only enriches the Company's product portfolio in the field of green power supplies, but also provides a feasible pathway for the transformation of the adapter industry toward high energy efficiency and miniaturization, demonstrating the Company's firm commitment to driving sustainable development through technological innovation and responding to global energy saving and emission reduction trends.

Case: 1600W Industrial Power Supply Research and Development Project

To meet the demand of server system air cooling equipment for dedicated power supplies, the Company successfully developed the 1600W industrial power supply project. The product features high efficiency, multiple protection mechanisms and communication functions, with an output voltage of 49.5V, providing stable and reliable power support for critical equipment.

The project was completed independently by a team of 8 research and development engineers over one year, covering the entire process from solution design to mass production. The team adopted interleaved analog PFC topology control solutions, optimized PCB design, and strictly conducted testing and verification according to the CVT, EVT, DVT and PP stages, successfully achieving mass production in December 2025. All performance indicators meet design requirements, with a design life of up to 10 years, and the product can stably adapt to server air cooling power supply scenarios.

The successful implementation of this project further enriches the Company's industrial power supply product portfolio and reflects the research and development philosophy of serving key equipment through technological innovation and ensuring customer needs through reliable quality.

Case: BBU Multi Channel Output Power Supply Research and Development Project

In response to the compliance requirements of the market for high performance power supply products, the Company launched the BBU multi-channel output power supply research and development project, aiming to fill the gap in this product category and enhance overall solution capabilities. A cross departmental team of 13 research and development personnel collaborated for several months and successfully developed a power supply product with 12V input and a maximum 47W dual channel output, which can flexibly meet the power supply needs of various equipment.

The product incorporates multiple safety protection mechanisms in its design and has passed rigorous reliability testing to ensure stable operation under different working conditions. At the same time, the product fully complies with international safety regulations, EMC and environmental protection standards, laying a solid foundation for subsequent market promotion.

This project further improves the Company's power supply product portfolio and reflects the Company's research and development philosophy of being market oriented and driven by technological innovation, continuously enhancing product competitiveness and sustainable development capability.

Case: Research and Development Project of NAS Dedicated 12V 120W DC Output Uninterruptible Power Supply

Based on the concept of green design, the Company successfully developed a 12V 120W DC output uninterruptible power supply specifically designed for NAS equipment. In response to the problems of poor adaptability and high energy consumption of traditional UPS systems, the product adopts an efficient DC output solution, reducing energy conversion losses and improving energy utilization efficiency at the source.

During the design phase, the project team fully considered energy saving and environmental protection requirements by optimizing circuit architecture and power management algorithms. The product has passed UL and IEC safety certifications as well as RoHS 2.0 environmental testing, ensuring that materials are harmless and recyclable. Testing results show that under full charge conditions, the product can continuously supply power to a 120W NAS device for more than 10 minutes, with a battery cycle life of up to 300 cycles, effectively extending product service life and reducing electronic waste generation.

The product integrates green design throughout the entire lifecycle. It not only meets the rigid requirements of NAS equipment for power supply stability and data protection, but also reflects the Company's integration of energy saving, consumption reduction, extended service life and recyclability concepts into product development, providing more sustainable power solutions for household and enterprise users.

Product Quality and Safety

Governance

The Company adheres to the quality policy of "quality first, customer foremost, scientific management, striving for excellence", and has formulated a series of procedural documents such as the Product Safety Control Procedure and the Advanced Product Quality Planning Procedure. The General Manager, as the person in charge of quality, leads the operation of the management system and effectively controls the Company's quality management activities.

Stable product quality provides an important guarantee for the Company's future business development. As of the end of the reporting period, the Company has obtained ISO9001 and IATF16949 quality management system certifications. Under strict product quality supervision and management, the Company's products have also passed multiple safety certifications in various countries and regions, including UL certification (United States), CUL certification (Canada), CB certification (IECEE member countries), and CE certification (European Union), and have obtained product certifications from dozens of customers such as GE Group, Valeo Group, and BYD.

Strategy

Magnetic components and power supply products are key core components of electronic and electrical equipment, and their reliability, stability and safety are directly related to the operational quality of equipment. To meet the stringent requirements of downstream customers, the Company has fully introduced internationally advanced quality management models and established and effectively implemented a series of quality management systems across the entire process of procurement, production and sales, achieving full lifecycle monitoring and precise control of product quality.

Impact, Risk and Opportunity Management

To ensure product quality, the Company identifies potential risks and opportunities in accordance with the Management Procedure for Risks, Opportunities and Control Measures and integrates FMEA risk analysis throughout product design, manufacturing and rework processes. At the same time, the Company emphasizes maintaining the effective operation of the system through internal and external supervision, has continuously passed various external audits for many years, including ISO9001 Quality Management System Surveillance Audits and IATF 16949 (formerly TS 16949) Automotive Quality Management System Surveillance Audits. Multiple internal audits are conducted throughout the year to identify improvement directions through both internal and external audits.

Internal Process Innovation

The Company drives product quality improvement through internal process innovation by establishing cross departmental teams focused on key processes and bottlenecks, and optimizing process flows and operating standards.

Optimization of Manual Soldering Rework Process after Wave Soldering

Pain Points:

The manual soldering rework process after wave soldering not only affects product quality, production efficiency and manufacturing cost, but also generates solder fumes that pose potential health risks to employees. It is urgent to promote process improvement toward "manual soldering free".

Optimization Plan:

The Engineering Department conducted root cause analysis from five dimensions, namely personnel, equipment, materials, methods and environment, and implemented targeted improvements. These include optimizing soldering fixtures and soldering parameters, improving incoming material quality, and introducing AOI inspection and selective soldering automatic rework technology to replace manual soldering operations.

Achieved Results:

The overall soldering yield rate of 30 coded products increased from 83.6% to 97.35%, representing an improvement of 13.75 percentage points.

Improvement Before (Manual Soldering Rework)

Improvement After
(Automatic Inspection + Selective Soldering Automatic Rework)

Automation Optimization of Riveting Process for SA01585 Project Products

Pain Points:

The product requires manual riveting of 23 rivets, with each rivet being manually placed, aligned and pressed. The efficiency is low, with a single rivet taking 1.5 seconds. Alignment deviation may easily lead to PCB hole cracking and punch damage, and the defect rate is as high as 14%.

Optimization Plan:

In line with the business division's requirement of "cost reduction and efficiency improvement", the Engineering Department introduced an automatic riveting machine to realize full process automation from feeding, alignment, riveting to abnormality detection.

Achieved Results:

Defects such as missing riveting, misalignment and loosening were eliminated, and the defect rate decreased from 14% to 0%.

Improvement Before: Manual Riveting

Improvement After: Automatic Riveting

Automation Optimization of Testing Process

Pain Points:

Manual testing has low efficiency, frequent scanning operations and high labor occupation, which restrict overall capacity improvement.

Optimization Plan:

Automatic testing equipment was introduced, the testing process was optimized, the number of manual scanning operations was reduced, and manual testing was transformed into fully automated testing.

Achieved Results:

Manual operation errors were reduced, and both testing efficiency and MES data entry accuracy were improved.

Improvement Before

Improvement After

Product Lifecycle Management

Based on the Quality, Environment, Safety and Hazardous Substances Management System Manual, the Company has established a full process quality control system covering product design, procurement, production and delivery. Through conducting product manufacturing process audits, the Company continuously evaluates the effectiveness of control measures to ensure that products comply with safety and quality standards as well as legal and regulatory requirements.

Aspect	Measures
Whole Process Monitoring	Formulate monitoring procedures for raw materials, semi-finished products and hazardous substances, conduct dynamic supervision of the production process, and promptly identify and correct quality issues.
Traceability Management	Establish a product identification and traceability system, clearly record production and quality conditions, and ensure that problematic links can be quickly located and effectively handled.
Non-Conforming Product Management	In accordance with the Control Procedure for Non-Conforming Products, identify and isolate materials and products that do not meet requirements, and prevent unintended use and delivery through measures such as restriction and return.
	Formulate the Customer Complaint Handling Procedure and the Proactive Quality Early Warning and Recall System to standardize complaint acceptance, analysis and closed loop mechanisms, establish proactive quality abnormality early warning and recall mechanisms, and develop standardized handling procedures covering multiple scenarios.
Product Recall	In accordance with the requirements of the Identification and Traceability Control Procedure, the Environmental Substance Management Measures, and the ERP Material System Coding Rules, the output status of products is identified and labeled to accurately understand the production process and quality status of products, and to quickly locate and resolve quality issues. At the same time, zoning management and dedicated identification are implemented for different HSF requirements and HSF related processes to prevent contamination of HSF products.

Case: Laboratory Capability Development

In the product quality management process, laboratory capability is an important force for the Company to control product quality and win market competition. JingQuanHua established the Shenzhen JingQuanHua Electronics Co., Ltd. Experimental Center in June 1996, building multiple industry leading laboratories, including but not limited to independent EMI laboratories, reliability testing laboratories, safety regulation laboratories, conduction laboratories, and environmental protection laboratories, covering various testing needs. The laboratories comprehensively simulate various conditions encountered during the installation and use of products such as high and low frequency transformers, inductors, reactors, power adapters, and switching power supplies, thereby providing objective, impartial, and accurate comprehensive evaluations. In June 2021, the Company's laboratory center introduced ISO/IEC 17025:2017 General Requirements for the Competence of Testing and Calibration Laboratories, and in June 2022 obtained accreditation from the China National Accreditation Service for Conformity Assessment (CNAS).

In terms of equipment configuration, the Company is equipped with advanced reliability testing equipment, including Chroma electronic loads, frequency converters, and power analyzers, oscilloscopes, data acquisition systems, and EMI testers from Agilent, as well as automatic group pulse generators, automatic cycle drop testers, and ESD electrostatic testing instruments from 3C test. With these devices, the Company conducts reliability testing experiments on products, providing strong support for product quality control.

Hazardous Substance Control

The Company has established a full process HSF control system covering raw material procurement, manufacturing and finished product delivery, strictly restricting hazardous substances. The Environmental Management Substance Control Standard has been formulated, comprehensively promoting halogen free and low hazard material substitution, reducing the use of PVC and halogen containing flame retardant materials, selecting environmentally friendly materials such as halogen free PC/ABS alloys and halogen free epoxy resins, and avoiding harmful additives containing lead, cadmium and mercury. All new materials are required to provide environmental test reports issued by ISO17025 certified institutions (such as RoHS). At the same time, the Company has obtained IECQ QC080000 Hazardous Substance Process Management System Certification, ensuring environmental compliance throughout the entire process from source to finished products.

Quality Culture Development

Centered on quality policies and objectives, the Company has established a normalized quality training system. Through diversified activities such as quality tools training, job skills training and knowledge sharing, the Company comprehensively enhances employees' practical skills and quality and safety awareness.

The Company organizes special activities such as "Quality Month" every year to stimulate all employees' enthusiasm for quality improvement, effectively reduce product defect rates, promote continuous improvement of product quality, and further enhance the Company's market competitiveness. At the same time, the Company actively participates in external quality training to improve overall quality management levels.

Case: Implementation of Quality Month Special Improvement Activities

In response to unstable quality performance at the client side, and to improve key customer performance, the Company, led by the General Manager of the Business Division and organized by the Quality Manager, formulated eight major Quality Month improvement tasks and comprehensively promoted their implementation. During the activity period, a total of 58 improvement suggestions were adopted, and all eight projects were fully implemented, effectively solving quality pain points and ultimately achieving significant improvement in key customer performance.

Case: Organization of Product Appearance Quality Theory and Practical Training

In view of the critical impact of product appearance quality on customer satisfaction and market competitiveness, the Company organized production line employees, with quality engineers serving as instructors, to carry out special training on product appearance theory and practical operation. The training aims to enhance front line operators' awareness and emphasis on appearance quality, enabling them to master inspection standards and methods proficiently. In December 2025, a total of 3 training sessions were conducted, with 64 participants, including 52 participants in on-site practical training. This effectively strengthened employees' quality control capabilities and laid a foundation for improving product competitiveness and ensuring safe production.

Case: Implementation of Quality Month Activities

In 2025, Heyuan JingQuanHua established a Quality Month task group and organized all employees to carry out Quality Month themed activities from September to November. Through multi-dimensional publicity, a strong atmosphere was created. Special teams were formed to advance 11 quality improvement projects in accordance with scientific steps, and all employees were encouraged to submit problem suggestions through the "on-site issue identification" mechanism. Special rewards were established to stimulate participation enthusiasm. During the activity period, various improvement measures were implemented in an orderly manner, and employees' quality awareness was significantly enhanced.

Indicators and Targets

Indicator	Target	2025 Progress
Product recall incidents	0	0
Product factory pass rate	100%	100%

Industrial Ecosystem Collaboration

Supply Chain Management

Governance

The Company has established a supply chain management department and, in accordance with systems such as the Material Development and Confirmation Procedure and the Supplier Assessment and Evaluation Procedure, has established a full process management mechanism covering supplier admission, investigation, audit, evaluation, and empowerment. During the supplier selection stage, through document review and on-site audits, the Company verifies suppliers' capabilities in quality assurance, hazardous substance control and occupational health and safety. The Company regularly conducts system and process audits for suppliers, implements classified management based on assessment ratings, and provides guidance and rectification for non-conforming suppliers to ensure continuous compliance. At the same time, supplier performance in quality, delivery and service is comprehensively evaluated through performance indicators, and special training and management improvement suggestions are promoted to enhance supplier capabilities.

Strategy

In the increasingly competitive market environment, efficient supply chain operation has become a key component of the Company's core competitiveness. The Company has formulated a comprehensive and forward-looking supply chain management strategy, focusing superior resources on resolving key issues such as precise inventory control and efficient coordination of logistics distribution, continuously optimizing supply chain processes and resource allocation, and ensuring that the Company remains at the forefront of the industry in a rapidly changing market environment.

Impact, Risk and Opportunity Management

The Company continuously strengthens supply chain risk management and systematically identifies HSF risks from the perspective of the full product lifecycle, with a focus on external suppliers' processes, products and services. During the supplier access stage, the Company strictly reviews system certifications and HSF control documentation and gives priority to selecting organizations certified under IECQ HSPM and similar systems, thereby reducing risks at the source. At the same time, material management positions continuously monitor supplier dynamics. Once risks are identified, corrective actions are promptly facilitated. For suppliers whose risks cannot be effectively mitigated, the Company will terminate cooperation to ensure supply chain safety and stability.

Resilience Management

In response to supply chain disruption risks arising from changes in the global economic and policy environment, as well as strict regulatory requirements for compliance traceability, the Company promotes localized sourcing strategies by introducing suppliers near production bases to cover multiple core materials such as plastic structural components, magnetic cores and terminal wires. Leveraging the SRM system, the Company builds a digital traceability system to achieve full process traceability through environmental labeling and QR codes. At the same time, the Company fully implements the signing of supplier environmental protection agreements, effectively enhancing supply chain resilience and overall compliance controllability.

Sustainable Supply Chain Development

The Company actively practices the concept of sustainable procurement, promotes and implements the "Responsible Business Alliance" management system, and has formulated systems such as the Green Procurement Management Provisions. Full consideration is given to environmental protection, resource conservation, and circular low carbon aspects, continuously improving and refining green procurement standards, integrating green procurement throughout the entire process of raw materials, products, and services, managing and selecting suppliers in accordance with green procurement principles, and promoting suppliers to continuously improve their level of green development, thereby jointly building a green supply chain.

At the same time, the Company requires suppliers to sign documents such as the RBA Management Manual, the Integrity Agreement, and the Conflict Minerals Commitment Letter, comply with social responsibility requirements in areas including labor, health and safety, environment, ethics, and management systems, and jointly build a sustainable supply chain system.

Process	Measures
Supplier Investigation	• Develop sustainable development survey questionnaires to investigate suppliers' sustainability performance; formulate and require suppliers to sign ESG related agreements (as of the end of the reporting period, requirements for integrity agreements, RBA commitment letters and anti-terrorism commitment letters have been implemented).
Supplier Access	• Conduct ESG on-site verification audits for suppliers, and immediately stop development if red line issues are involved.
Supplier Performance	• Establish an annual ESG on-site audit mechanism for key material suppliers. Nonconformities identified during audits are managed through a closed loop.
Supplier Training	• Based on ESG industry and regulatory requirements, combined with supplier conditions, conduct ESG knowledge promotion, formulate supplier training plans, and empower ESG management.

Case: JingQuanHua Partner Sustainable Development Survey

To promote sustainable supply chain development, JingQuanHua conducted a sustainable development survey of 1,089 suppliers in 2025, with 689 valid responses collected, representing a response rate of 63.27%. The survey shows that suppliers are actively engaged in environmental initiatives, with steady progress made in carbon emission reduction measures, photovoltaic project deployment and green electricity application. In terms of social responsibility, some suppliers have established human rights policies and carried out due diligence. At the governance level, anti-corruption systems and compliance management policies are widely implemented among suppliers. The proportion of tier two suppliers signing codes of conduct and commitments not to use conflict minerals is relatively high. This survey provides strong support for JingQuanHua to build a transparent and responsible sustainable supply chain.

Conflict Minerals Management

The Company strictly formulates systems such as the Environmental Management Substance Control Standard in accordance with industry norms and relevant laws, regulations, and policy requirements to standardize the management of conflict minerals. For all suppliers involving conflict minerals, the Company requires them to undergo conflict minerals investigations and stipulates that they must sign the Conflict Minerals Commitment Letter and the Green Procurement Commitment Letter to ensure the compliance and sustainability of the supply chain.

We require all suppliers to actively undertake the following responsibilities in the supply chain:

Not to accept or use "conflict minerals" from the Democratic Republic of the Congo and its surrounding countries and regions;

Suppliers shall trace the sources of gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) contained in all products to ensure that these metals do not originate from "conflict affected areas";

Suppliers shall communicate these requirements to their upstream suppliers.

Suppliers shall provide at least once a year the CFSI due diligence report template or other conflict minerals survey forms.

Equal Treatment of Small and Medium sized Enterprises

The Company consistently adheres to the principles of fairness, impartiality and openness, and treats small and medium sized enterprise suppliers equally in supply chain management. By establishing and improving supplier access and management mechanisms, the Company ensures reasonable payment cycles and timely settlement of accounts and eliminates any form of commercial bribery and discriminatory clauses. At the same time, the Company actively provides cooperation opportunities and technical exchange platforms for small and medium sized enterprises, promotes the establishment of long term, stable and mutually beneficial partnerships, and facilitates coordinated development and sustainable growth of the industrial chain.

Collaboration with Industry Peers

Industry Standard Formulation

The Company gives full play to its comprehensive advantages in technology and academia, actively participates in the formulation of relevant technical standards and specifications in the industry, and as a member unit of the national standard working group for mobile power supplies, the Company has participated in the revision of national standards such as Uninterruptible Power Supply System (UPS), contributing to industry standardization. In addition, Xie Guangyuan, Chief Engineer of the Company's R&D Center, has been appointed as a member of the Standardization Committee of the China Electronic Components Industry Association.


聘 书

兹聘请谢光元同志为第一届中国电子元件行业协会标准化工作委员会委员，聘任期限5年，自2024年11月29日至2029年11月28日。

中国电子元件行业协会

二〇二四年十一月二十九日

Participation in Industry Activities

Case: Participation in 2025 PCIM Europe Exhibition

In May 2025, the PCIM Europe exhibition was grandly held in Nuremberg, Germany. As a highly influential exhibition in the fields of power electronics, intelligent motion, renewable energy and energy management, PCIM Europe brings together leading global brands in the power electronics industry and guides industry development trends.

Zhang Liyang, Overseas General Manager of the Marketing Center, led the JingQuanHua marketing team to participate in the PCIM Europe exhibition, showcasing a series of application solutions including optical storage industry solutions, power industry solutions and new energy vehicle magnetic component solutions, as well as core magnetic component products such as potting components, on board charging OBC and DCDC modules.

Through this exhibition, Shenzhen JingQuanHua Electronics Co., Ltd. comprehensively demonstrated its deep technological accumulation and innovative achievements in the field of new energy, providing "JingQuanHua solutions" for global energy transition. At the same time, leveraging the international platform of PCIM Europe, the Company engaged in in-depth exchanges with global industry partners, promoted technological and industrial collaboration, and jointly advanced the efficient and sustainable development of the power electronics industry.

Case: Showcase of Photovoltaic and Energy Storage Products at SNEC PV+

In June 2025, the 18th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC PV+) was grandly opened in Shanghai, attracting more than 3,000 enterprises from home and abroad.

Led by General Manager Ju Wanjin, JingQuanHua participated in the exhibition with its core marketing team. The Company focused on displaying products such as potting reactors, SCB epoxy cast dry type transformers and oil immersed power transformers, comprehensively presenting its cutting-edge technological achievements and innovation capabilities in the field of photovoltaic and energy storage.

Customer Relationship Management

The Company adheres to "respect for life, dedication to products", and cooperates with customers to develop electronic products that improve people's quality of life, making life safer, healthier and more environmentally friendly. The Company is committed to providing high-quality magnetic integration and power solutions for consumer electronics, clean energy, new energy vehicles and other fields, thereby contributing to a cleaner and better future and improving human living standards.

Customer Satisfaction Management

The Company has formulated the Customer Satisfaction Survey Procedure and the Customer Experience Monitoring System to standardize survey methods, processes and data collection standards. Customer satisfaction surveys are conducted annually. Based on the survey results, targeted improvement plans are formulated, and responsible departments are designated to implement improvement measures, thereby continuously enhancing customer experience and satisfaction.

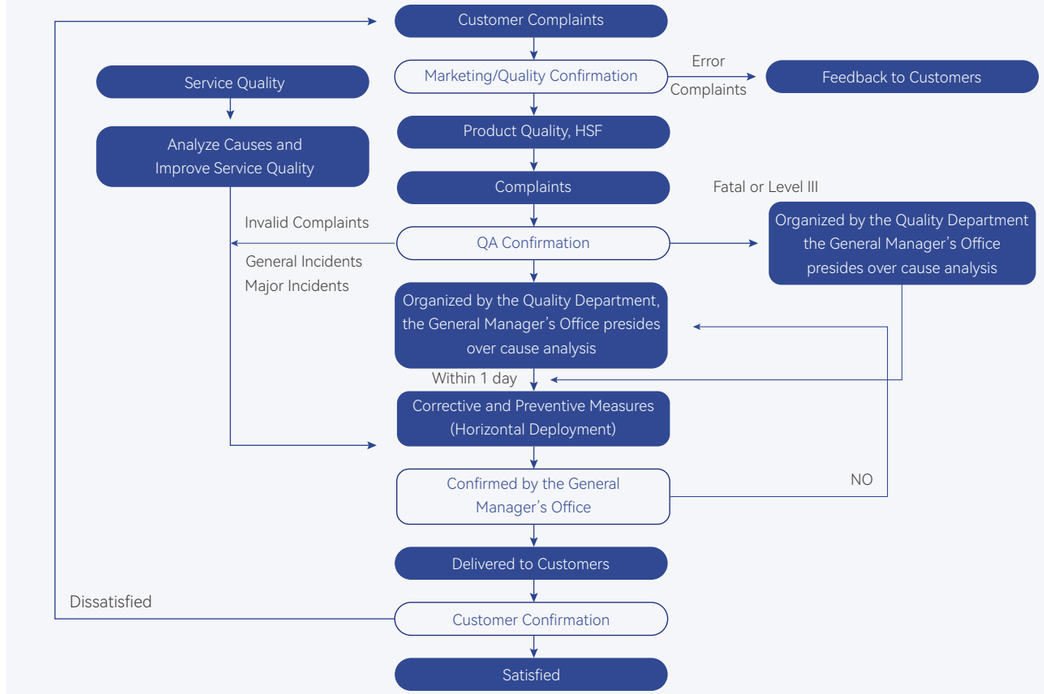
Key Performance

During the reporting period, the Company's customer satisfaction scores were:

Magnetic Sales Department	Automotive Sales Department	Power Supply Non-Automotive	Power Supply Automotive
89.05	95.36	90.85	97.61

Customer Complaint Handling

The Company has formulated the Customer Complaint Handling Procedure, the Customer Complaint Handling Provisions, and the Complaint, Return and Rework Handling Provisions to standardize complaint acceptance, analysis, and closed loop mechanisms, covering standardized handling procedures for multiple scenarios. The Company focuses on typical customer complaint cases to conduct root cause analysis and establishes a case knowledge base to achieve experience sharing, thereby enhancing the problem-solving capabilities of all employees.



Customer Complaint Handling Process

Responsible Marketing

The Company strictly complies with national laws and regulations such as the Civil Code of the People's Republic of China, the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China, as well as relevant industry regulations, in carrying out responsible marketing management. The Company has formulated the Marketing Center Responsible Marketing Policy. All promotional materials are subject to joint three level review by business, legal and quality control functions, with clear indication of information sources and data calibers, and any unfounded comparisons or misleading statements are strictly prohibited. At the same time, the Company has established a marketing audit and supervision mechanism, regularly conducting systematic compliance reviews of sales and marketing activities to eliminate false advertising and effectively safeguard consumers' right to information and the Company's integrity image.

Product Accessibility

The Company's products are widely used in fields such as consumer electronics, clean energy and new energy vehicles. Through continuous optimization of product design and manufacturing processes, the Company continuously improves product reliability, stability and energy efficiency, lowers usage thresholds, and enables high-quality products to reach a broader customer base. Leveraging a business network covering major countries and regions including Europe, the Americas, East Asia, South Asia and Southeast Asia, the Company actively promotes the global application of green technologies and products and cooperates with customers to develop electronic products that improve people's quality of life.

Appendix

ESG Performance Table

Indicator	Unit	2023 Data	2024 Data	2025 Data
Shareholders' Meetings	Times	4	2	5
Board of Directors Meetings	Times	9	8	7
Number of Employees Trained on Compliance	Persons	17	85	27
Employee Compliance Training Hours	Hours	32	89	31
Number of Compliance Training Sessions Organized by the Company	Times	2	2	2
Number of Employees Receiving Compliance Training	Persons	9,157	12,856	12,979
Number of Anti-Corruption Training Sessions	Times	3	2	11
Percentage of Directors Trained on Anti-Bribery and Anti-Corruption	%	100	100	100
Percentage of Management Trained on Anti-Bribery and Anti-Corruption	%	100	100	100
Percentage of Employees Trained on Anti-Bribery and Anti-Corruption	%	100	100	100
Percentage of Suppliers Trained on Anti-Bribery and Anti-Corruption	%	100	100	100
Information Security Training	Sessions	48	44	26
Number of Participants in Information Security Training	Persons	854	860	963
Information Security Drill	Sessions	3	3	3
Anti-Monopoly and Fair Competition Training	Sessions	0	1	0
Number of Quality Training Sessions	Sessions	143	134	112
Number of Participants in Quality Training	Persons	1,018	980	739
Quality Training Hours	Sessions	4,368	5,928	3,097
Number of Environmental Training Sessions	Sessions	118	82	89
Number of Participants in Environmental Training	Persons	1,107	1,414	1,570
Environmental Training Hours	Hours	2652.3	3692.4	4,956
Number of Valid Patents Held	items	19	41	27
Number of Valid Patents Held per 100 million Revenue	items/CNY	/	/	0.8067
Number of Copyrights Held	items	19	41	27
Number of Trademarks and Registered Word Rights Held	items	10	10	10
Number of Software Copyrights Held	items	7	7	7
Number of New Patent Applications in the Year	Items	62	50	44
Liquefied Gas	Tons	0.13	0.07	0.08
Diesel	Liters	578.00	208.00	213.00
Gasoline	Liters	14,124.84	15,194.08	14,695.88

Indicator	Unit	2023 Data	2024 Data	2025 Data
Renewable Energy	kWh	0.00	0.00	791,939
Purchased Electricity	kWh	34,864,267.96	32,587,583.82	32,053,823.83
Number of Products Certified with Carbon Footprint	Units	/	/	2
Total Exhaust Gas Emissions	Cubic Meters	608,729,000.00	466,773,000.00	444,566,400.00
Particulate Matter	Milligrams per Cubic Meter	0.50	29.73	33.00
Non-Methane Hydrocarbons	Milligrams per Cubic Meter	12.69	14.66	23.20
Nitrogen Oxides	Milligrams per Cubic Meter	111.00	0.00	147.00
Sulfur Oxides	Milligrams per Cubic Meter	/	/	19.00
VOC Emissions	Milligrams per Cubic Meter	3.26	20.34	23.31
Total Water Withdrawal from All Regions	Megaliters	214.46	196.41	216.60
Total Recycled Water Reclaimed Water	Tons	0.00	0.00	10
Total Wastewater Discharge	Cubic Meters	0	0	0
Chemical Oxygen Demand	Tons			50.90
Chemical Oxygen Demand Emissions per CNY 100 million Revenue	Tons per CNY	/	/	1.5209
Ammonia Nitrogen Emissions	Tons	/	/	2.11
Ammonia Nitrogen Emissions per CNY 100 million Revenue	Tons per CNY	/	/	0.0630
Total Phosphorus	Milligrams per Liter	1.00	2.70	1.82
Total Recyclable Waste	Tons	162.05	210.53	248.29

Indicator	Unit	2023 Data	2024 Data	2025 Data
Total Amount of Non-Hazardous Waste	Tons	177.24	230.32	266.54
Total Amount of Non-Hazardous Waste Generated per CNY 100 million Revenue	Tons/CNY	/	/	7.9642
Total Amount of Recycled and Reused Waste	Tons	31.61	42.52	85.95
Total Amount of Waste Recycled and Reused per CNY 100 million Revenue	Tons/CNY	/	/	2.5679
Proportion of Recycled and Reused Waste	%	/	/	32.25
Total Amount of Hazardous Waste	Tons	46.19	95.07	124.05
Total Amount of Hazardous Waste Generated per CNY 100 million Revenue	Tons/CNY	/	/	3.7062
Environmental Protection Investment	CYN 10,000	254.50	96.67	83.26
Total Investment in Energy Conservation and Emission Reduction	CYN 10,000	33.27	2.89	19.85
Labor Contract Signing Rate	%	100	100	100
Percentage of Employees Covered by Collective Bargaining Agreements	%	100	100	100
Total Number of Operating Sites Subject to Labor Rights Review or Labor Rights Impact Assessment	Units	7	7	7
Percentage of Operating Sites Subject to Labor Rights Review or Labor Rights Impact Assessment	%	100	100	100
Total Number of EmployeesNote: Number of employees as of the end of the current fiscal year, same below	Persons	3,909	4,318	4,155
Total Number of Discrimination Incidents During the Reporting Period	Cases	0	0	0
Number of Part Time Employees	Persons	0	0	0
Number of Ethnic Minority Employees	Persons	630	720	514
Percentage of Ethnic Minority Employees	%	16.12	16.67	12.37
Number of R&D Employees	Persons	484	566	577
Percentage of R&D Employees	%	12.38	13.11	13.89
Average Salary per Employee	CNY 10,000			11.36
By Gender — Male	Persons	1,778	2,102	2,016
By Gender — Female	Persons	2,131	2,216	2,139
By Employment Type — Labor Contract System	Persons	3,187	3,603	3,831
By Employment Type — Labor Dispatch System	Persons	722	715	324
By Employment Type — Others	Persons	0	0	0
By Age — 51 Years Old and Above	Persons	97	102	147
By Age — 41 to 50 Years Old	Persons	834	928	1,062
By Age — 31 to 40 Years Old	Persons	1,696	1,675	1,656
By Age — 30 Years Old and Below	Persons	1,282	1,613	1,290
By Education Level — Bachelor's Degree and Above	Persons	244	339	404
By Education Level — Junior College	Persons	454	544	570
By Education Level — Secondary School and Below	Persons	3,211	3,435	3,181
Total Number of Employees Leaving	Persons	437	712	713
Employee Turnover Rate	%	11.06	17.30	16.32
Total Number of Employees Receiving Training	Persons	9,157	12,856	12,979
Total Hours of Training on Labor Rights Policies or Procedures	Hours	175	180	973
Percentage of Employees Receiving Training on Labor Rights Policies or Procedures	%	100	100	100
Total Training Hours of Employees	Hours	150,629.70	245,680.39	221,034.5
Average Training Hours per Employee	Hours	16.45	19.11	17.03
Percentage of Employees Receiving Regular Performance and Career Development Reviews	%	36.09	32.07	34.16
Number of Work-Related Injuries	Persons	9	7	8

Indicator	Unit	2023 Data	2024 Data	2025 Data
Work Injury Rate	%	18.7	12.7	13.81
Number of Work-Related Injury Incidents	Cases	9	8	8
Number of Hours Lost Due to Work Related Injuries	Hours	/	/	4,592
Work days lost due to occupational injuries	Days	731	548.5	574
Work days lost per CNY 100M revenue (work-related injuries)	Days/CNY	/	/	17
Number of Occupational Disease Cases	Persons	0	0	0
Number of Work-Related Fatality Incidents	Cases	0	0	0
Number of Work-Related Fatalities	Persons	0	0	0
Number of Work-Related Fatalities per CNY 100 Million Revenue	Persons/CNY	0	0	0
Fatality Rate per Million Working Hours	%	0	0	0
Percentage of Security Personnel Receiving Formal Training on Organizationa Labor Rights Policies or Specific Procedures and Their Application	%	100	100	100
Investment in Employee Occupational Health and Safety	CNY 10,000	28.72	26.42	31.54
Investment in Work Safety	CNY 10,000	90.91	88.75	137.34
Proportion of Work Safety Investment to Operating Revenue	%	/	/	4.13
Total Hours of Safety Training	Hours	99,219	193,017.00	158,353.5
Average Safety Training Hours per Employee	Hours	10.84	15.01	12.20
Number of Safety Accidents	Cases	9	8	8
Number of Major and Above Accidents	Cases	0	0	0
Number of Occupational Disease Cases	Persons	0	0	0

ESG Indicator Index

Dimension	No.	Topic	Corresponding Clauses	Corresponding Sections
Environment	1	Climate Change Response	Article 21 to Article 28	Climate Change Response
	2	Pollutant Emissions	Article 30	Environmental Compliance Management
	3	Waste Treatment	Article 31	Environmental Compliance Management
	4	Ecosystem and Biodiversity Protection	Article 32	Biodiversity Protection
	5	Environmental Compliance Management	Article 33	Environmental Compliance Management
	6	Energy Utilization	Article 35	Resource Utilization and Circular Economy
	7	Water Resource Utilization	Article 36	Resource Utilization and Circular Economy
	8	Circular Economy	Article 37	Resource Utilization and Circular Economy
Social	9	Rural Revitalization	Article 39	Rural Revitalization and Social Welfare
	10	Social Contribution	Article 40	Rural Revitalization and Social Welfare
	11	Innovation Driven Development	Article 42	Research and Development Innovation
	12	Technology Ethics	Article 43	Not Applicable
	13	Supply Chain Security	Article 45	Industrial Ecosystem Collaboration
	14	Equal Treatment of Small and Medium Sized Enterprises	Article 46	Industrial Ecosystem Collaboration
	15	Product and Service Safety and Quality	Article 47	Product Quality and Safety
	16	Data Security and Customer Privacy Protection	Article 48	Information Security Protection
	17	Employees	Article 50	Employee Rights
Sustainable Developmen Related Governance	18	Due Diligence	Article 52	Sustainable Development Governance
	19	Stakeholder Communication	Article 53	Sustainable Development Governance
	20	Anti Commercial Bribery and Anti-Corruption	Article 55	Business Ethics
	21	Anti Unfair Competition	Article 56	Business Ethics

GRI Standard Index

GRI Standards	Item	Content	Location
GRI 2: General Disclosure	2-1	Organisational details	Company Profile
	2-2	Entities included in the organisation's sustainability reporting	About this Report
	2-3	Reporting period, frequency and contact point	About this Report
	2-4	Restatements of information	ESG Performance Index
	2-5	External assurance	NA
	2-6	Activities, value chain and other business relationships	Company Profile
	2-7	Employees	Employee Rights ESG Performance Index
	2-8	Workers who are not employees	Supplier Management
	2-9	Governance structure and composition	Corporate Governance
	2-10	Nomination and selection of the highest governance body	Corporate Governance
	2-11	Chair of the highest governance body	Letter from the Leadership
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance ESG Management
	2-13	Delegation of responsibility for managing impacts	Corporate Governance ESG Management System
	2-14	Role of the highest governance body in sustainability reporting	ESG Management System
	2-15	Conflicts of interest	Stakeholder Engagement
	2-16	Communication of critical concerns	Stakeholder Engagement
	2-17	Collective knowledge of the highest governance body	ESG Management System
	2-18	Evaluation of the performance of the highest governance body	Omitted due to confidentiality restrictions
	2-19	Remuneration policies	Omitted due to confidentiality restrictions
	2-20	Process to determine remuneration	Omitted due to confidentiality restrictions
	2-21	Annual total compensation ratio	Omitted due to confidentiality restrictions
	2-22	Statement on sustainable development strategy	ESG Management Letter from the Leadership
	2-23	Policy commitments	ESG Management
	2-24	Embedding policy commitments	ESG Management
	2-25	Processes to remediate negative impacts	Stakeholder Engagement
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement
	2-27	Compliance with laws and regulations	Risk Management
	2-28	Membership associations	Company Profile
	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Employee Rights
GRI 3: Material Issues	3-1	Process to determine material topics	Materiality Assessment
	3-2	List of material topics	Materiality Assessment
	3-3	Management of material topics	Materiality Assessment
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	ESG Performance Index
	201-2	Financial implications and other risks and opportunities due to climate change	This information has not yet been compiled and is therefore not available for disclosure
	201-3	Defined benefit plan obligations and other retirement plans	Employee Rights
	201-4	Financial assistance received from governmen	This information has not yet been compiled and is therefore not available for disclosure
GRI 202: Market Performance	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	This information has not yet been compiled and is therefore not available for disclosure
	202-2	Proportion of senior management hired from the local community	This information has not yet been compiled and is therefore not available for disclosure
GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	This information has not yet been compiled and is therefore not available for disclosure
	203-2	Significant indirect economic impacts	This information has not yet been compiled and is therefore not available for disclosure
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	This information has not yet been compiled and is therefore not available for disclosure
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	This information has not yet been compiled and is therefore not available for disclosure
	205-2	Communication and training about anti-corruption policies and procedures	Internal Control and Compliance
	205-3	Confirmed incidents of corruption and actions taken	Internal Control and Compliance
GRI 206:Unfair competition practices	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Company Governance
GRI 207: Taxation	207-1	Approach to tax	Company Governance
	207-2	Tax governance, control, and risk management	Company Governance
	207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement
	207-4	Country-by-country reporting	This information has not yet been compiled and is therefore not available for disclosure
GRI 301: Materials	301-1	Materials used by weight or volume	This information has not yet been compiled and is therefore not available for disclosure
	301-2	Recycled input materials used	Supplier Management

GRI Standards	Item	Content	Location
GRI 301: Materials	301-3	Reclaimed products and their packaging materials	Supplier Management
GRI 302: Energy	302-1	Energy consumption within the organization	ESG Performance Index
	302-2	Energy consumption outside of the organization	Energy and Resource Management ESG Performance Index
	302-3	Energy intensity	Energy and Resource Management ESG Performance Index
	302-4	Reduction of energy consumption	Energy and Resource Management ESG Performance Index
	302-5	Reductions in energy requirements of products and services	Energy and Resource Management ESG Performance Index
GRI 303: Water Resources and Wastewater	303-1	Interactions with water as a shared resource	Energy and Resource Management ESG Performance Index
	303-2	Management of water discharge-related impacts	Energy and Resource Management ESG Performance Index
	303-3	Water withdrawal	ESG Performance Index
	303-4	Water discharge	Environmental Management ESG Performance Index
	303-5	Water consumption	ESG Performance Index
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	This information has not yet been compiled and is therefore not available for disclosure
	304-2	Significant impacts of activities, products and services on biodiversity	This information has not yet been compiled and is therefore not available for disclosure
	304-3	Habitats protected or restored	This information has not yet been compiled and is therefore not available for disclosure
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	This information has not yet been compiled and is therefore not available for disclosure
GRI 306: Waste	305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change ESG Performance Index
	305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change ESG Performance Index
	305-3	Other indirect (Scope 3) GHG emissions	This information has not yet been compiled and is therefore not available for disclosure
	305-4	GHG emissions intensity	ESG Performance Index
	305-5	Reduction of GHG emissions	This information has not yet been compiled and is therefore not available for disclosure
	305-6	Emissions of ozone-depleting substances (ODS)	This information has not yet been compiled and is therefore not available for disclosure
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	This information has not yet been compiled and is therefore not available for disclosure
GRI 308: Environmental assessment for suppliers	306-1	Waste generation and significant waste-related impacts	Environmental Management
	306-2	Management of significant waste-related impacts	Environmental Management
	306-3	Waste generated	Environmental Management
	306-4	Waste diverted from disposal	Environmental Management
	306-5	Waste directed to disposal	Environmental Management
GRI 401: Employment	308-1	New suppliers that were screened using environmental criteria	Supplier Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management
GRI 402: Labour relations	401-1	New employee hires and employee turnover	ESG Performance Index
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights
	401-3	Parental leave	Employee Rights
GRI 403: Occupational Health and Safety	402-1	Minimum notice periods regarding operational changes	This information has not yet been compiled and is therefore not available for disclosure
	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
GRI 403: Occupational Health and Safety	403-3	Occupational health services	Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education	404-1	Average hours of training per year per employee	ESG Performance Index
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Right
	404-3	Percentage of employees receiving regular performance and career development reviews	ESG Performance Index
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	ESG Performance Index
	405-2	Ratio of basic salary and remuneration of women to men	Omitted due to confidentiality restrictions
GRI 406: Anti-Discrimination	406-1	Incidents of discrimination and corrective actions taken	Employee Rights
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights
GRI 408: Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Employee Rights
GRI 409: Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Employee Rights
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	ESG Performance Index
GRI 411: Indigenous Rights	411-1	Incidents of violations involving rights of indigenous peoples	This information has not yet been compiled and is therefore not available for disclosure
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social Responsibility Activities
	413-2	Operations with significant actual and potential negative impacts on local communities	This information has not yet been compiled and is therefore not available for disclosure
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	Supplier Management
	414-2	Negative social impacts in the supply chain and actions taken	Supplier Management
GRI 415:Public policy	415-1	Political contributions	This information has not yet been compiled and is therefore not available for disclosure
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Product Quality
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality
GRI 417: Marketing and Labelling	417-1	Requirements for product and service information and labelling	Customer Service
	417-2	Incidents of non-compliance concerning product and service information and labelling	Customer Service
	417-3	Incidents of non-compliance concerning marketing communications	Customer Service
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Service

Independent Assurance OpinionStatement

AA1000 Independent Assurance Opinion Statement

To Shenzhen Jingquanhua Technology Co., Ltd.:

Eruid (Shanghai) Inspection & Certification Co., Ltd. ("Eruid") is commissioned by Shenzhen Jingquanhua Technology Co., Ltd. ("Jingquanhua") to perform an independent limited assurance engagement on the environmental, social, and corporate governance information and data disclosed in the Jingquanhua 2025 Sustainable Development and ESG report("Sustainable Development and ESG report"), and to present the assurance findings and conclusions to the readers and stakeholders of the Sustainable Development and ESG report in the form of issuing an independent assurance statement.

Assurance Scope

1.The scope of this assurance engagement is limited to the information and data disclosed in the ESG report for the period from January 1, 2025, to December 31, 2025. Any relevant information outside of this reporting period is not within the scope of this assurance engagement.

2.Assuring the Jingquanhua Sustainable Development and ESG report covers the data and information of Jingruanhua and its subsidiaries.

3.The on-site sampling and assurance work was conducted at the location: Jingquanhua Technology Industrial Park, No. 10 Pingqiao Road, Pingdi Street, Longgang District, Shenzhen City, Guangdong Province. It does not include the data and information of Jingquanhua's suppliers, partners, or any other third parties.

4.The information and data disclosed in the ESG report have already been assurranced or assured by an independent third party, and not re-assurance in this engagement.

Assurance Standard

Eruid adopted the AA1000AS v3 Type 1 moderate level assurance to evaluate the reporting organization's adherence to the four AA1000 AccountAbility Principles (AA1000AP, 2018) — Inclusivity, Materiality, Responsiveness, and Impact (the "Four Principles").

Assurance Information Source

Report Name: Jingquanhua 2025 Sustainable Development and ESG report

Source: Jingquanhua

Assurance Responsibility and Statement

1.The responsibility of Jingquanhua is to prepare 2025 Sustainable Development and ESG report in accordance with applicable laws, regulations, and guidelines, and to be fully responsible for the truthfulness, accuracy, and completeness of the report content. Jingquanhua is also responsible for establishing and implementing the necessary internal controls to ensure the report is free from material misstatement or omission. For any content or matters addressed in this Independent Assurance Statement, the relevant interpretations are the responsibility of Jingquanhua.

2.Subject to the limitations of the assurance scope, Eruid has conducted an independent limited assurance engagement on the matters within the defined scope of Jingquanhua's Sustainable Development and ESG report, in accordance with AA1000AS v3, and has provided a conclusion based on its assurance work. Except for providing independent assurance on the verified facts corresponding to these conclusions and issuing this Statement of Opinion, Eruid assumes no legal or other liability for any inquiries for any other purpose, nor to any other person reading this Independent Assurance Statement of Opinion.

Assurance Schedule and Work

In order to gather evidence relevant to forming our conclusions, we performed the following procedures:

1.Develop an assurance plan, clearly defining key resource requirements, assurance scope, tasks, timeline, and expected deliverables;

2.Through interviews and document review, understand the reporting organization's management system, policies, and operational mechanisms regarding Environmental, Social, and Governance (ESG) matters;

3.Review the significant matters disclosed in the report and related supporting evidence to assess their consistency with actual management practices;

4.Through interviews and document review, identify key stakeholders, understand their expectations and concerns, and the reporting organization's communication mechanisms and response methods;

5.Select key ESG information from the report, implement analytical procedures and sampling verification to assess the reasonableness of the relevant data and its consistency with the disclosed content;

6.Verify the inclusion, materiality, responsiveness, and impact principles in the company's report and its related AA1000 to confirm the appropriateness of this statement;

7.Perform other procedures deemed necessary by Eruid.

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Independence and Assurance capability

1.Eruid and Jingquanhua are completely independent organizations. None of the members of the Eruid assurance team have any business relationships with the reporting organization, its directors or senior management, or department managers that would create a conflict of interest. The Eruid assurance team conducted this assurance independently and neutrally.

2.Eruid is accredited by AccountAbility. Our assurance team consists of experienced professionals in the industry. Team members hold ACCA professional qualifications and AA1000 official auditor qualifications, possessing many years of auditing and ESG consulting experience. All relevant personnel have received professional training in AA1000 Assurance Standard v3 ("AA1000AS v3") of AccountAbility, GRI Standards (GSSB), the International Financial Reporting Sustainability Disclosure Standards (ISSB), Sustainability Reporting Guidelines of the Shanghai and Shenzhen Stock Exchange, and ESG Reporting Code of the Hong Kong Stock Exchange among other relevant standards and guidelines.

Limitation

1.This review used a sampling method to verify relevant information, therefore it did not cover all information disclosed in the report;

2.Financial data and greenhouse gas emission data already audited by a third party were not reviewed again; only conclusive data were verified;

3.Eruid did not review the sustainable development performance indicators disclosed in the report, but only confirmed that the sustainable development performance indicators had clear data sources through interviews and verification of factual evidence;

4.Eruid could not comment on the report's descriptions, beliefs, inferences, wishes, expectations, future plans, or other forward-looking information; only the relevant factual evidence supporting these views was verified;

5. In future reviews, Eruid will, based on the principle of continuous improvement, further focus on improving the report's organization of sustainable development information disclosure and management.

Assurance Conclusion

1.Based on the information provided by Jingquanhua and the sampled tests, Sustainable Development and ESG report of Jingquanhua does not contain any material misrepresentations.

2. Regarding the principles of inclusion, substance, responsiveness, and impact included in AA1000AS v3, the detailed audit results are as follows:

Principle	Evaluation
Inclusivity	Jingquanhua identifies key stakeholders and establishes communication mechanisms, continuously communicating through multiple channels to understand their expectations and concerns, and incorporating the relevant results into decision-making and management, which is in line with the principle of inclusiveness.
Materiality	Based on industry characteristics and business conditions, combined with regulatory requirements and international standards, Jingquanhua identifies important ESG issues through research and issue matrix, and discloses the results in the report, which complies with the principle of substance.
Responsiveness	Jingquanhua has established an effective stakeholder response mechanism, responding to important ESG issues with policies and actions and disclosing information, which is in line with the principle of responsiveness.
Impact	Jingquanhua identifies the major environmental, social, and economic impacts of its operations through stakeholder communication and dual materiality assessments, and conducts a systematic analysis from the perspectives of the likelihood and severity of these impacts. Based on this, corresponding management mechanisms are established to monitor and manage significant impacts through policies, measures, and key performance indicators, and related actions and results are disclosed in its Sustainable Development and ESG report, in accordance with the impact principle.

Assurance Provider: Eruid (Shanghai) Inspection & Certification Co., Ltd.

Assurance Period: April 2026

Assurance Team: Eruid Sustainability Assurance Team

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